

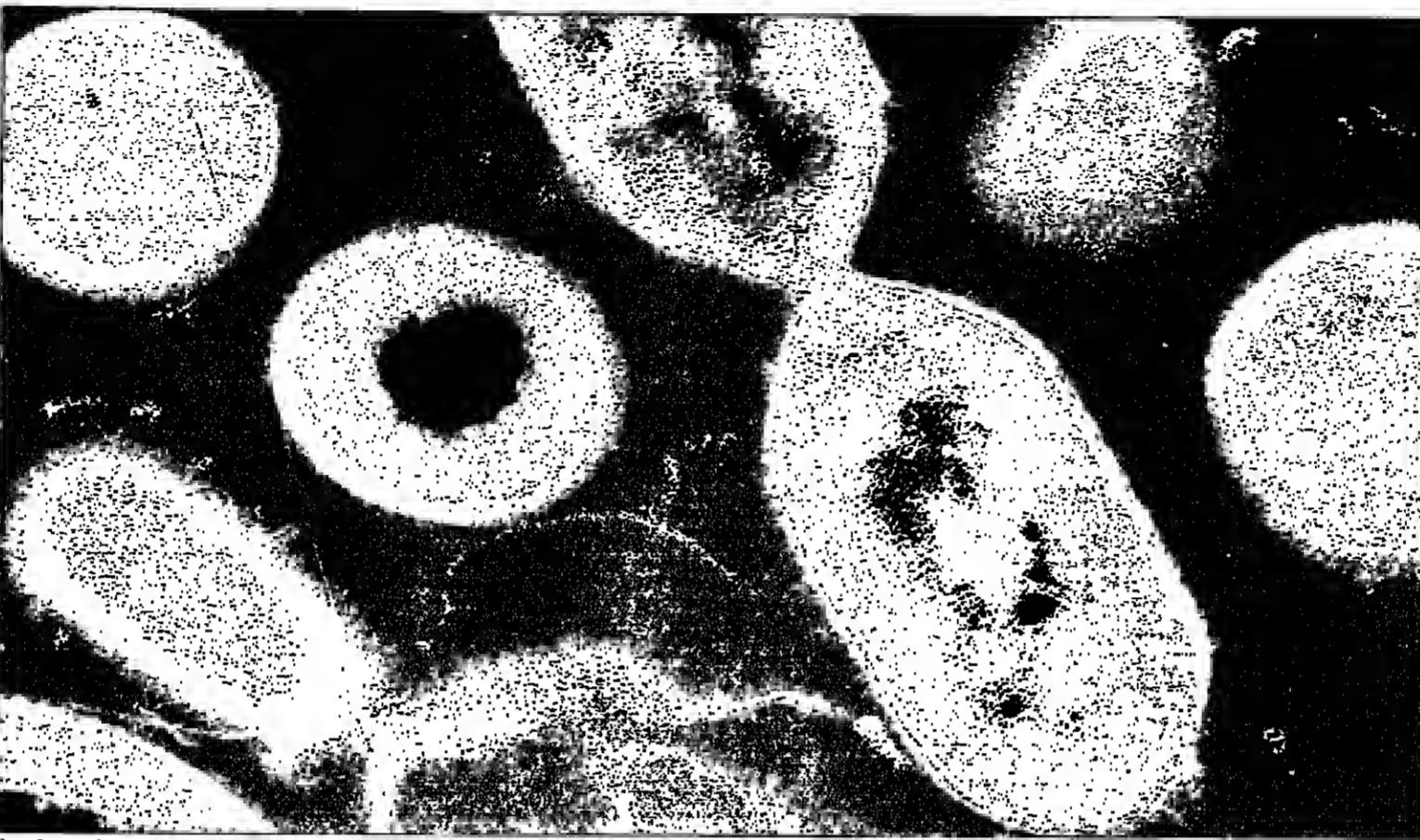
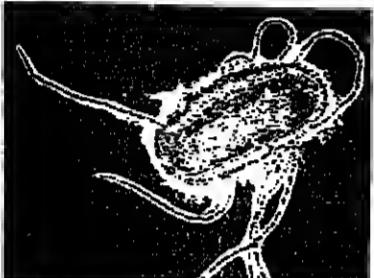


THE INDEPENDENT

Thursday 15 January 1998

45p No 3,508

Foul food: can the Government protect us from killer bugs?



Germ warfare: The listeria bug (main picture) and (from top) salmonella, E. coli and botulism – four of Britain's commonest food bugs

Photographs: Science Photo Library

There have been nearly 200 cases of serious food poisoning per day over the past decade. In the wake of BSE, E.Coli and salmonella, the Government yesterday laid out its plans for a food-safety agency.

Glenda Cooper, Consumer Affairs Correspondent, examines how ministers plan to restore consumer faith in food.

The Government wants every shop and restaurant in Britain to pay £100 a year to finance the Food Standards Agency, which it promises will protect con-

sumer interests in every area of food safety.

But farmers and food industry lobbyists warned that forcing the industry to pay for the agency would amount to a "tax on food by the back door".

The creation of one of the most powerful food watchdogs in Europe comes after a loss of public confidence in food safety after fears over the link between "mad cow" disease and Creutzfeldt Jakob disease, the E.Coli 0157 outbreak in Scotland which killed 20 people and the scare over baby milks and "gender bender" chemicals.

The FSA will be responsible for ensuring that food is safe to eat, and for advising people on what makes a healthy diet.

The Scottish health minister, Sam Galbraith, said that one of

the main catalysts for the White Paper had been the E.coli outbreak in Lanarkshire. "From the plough to the plate, the agency will put consumers first," he said. "It will have tough powers to make sure the high standards we are aiming for are met all the way from farms to shops, from restaurants and to our kitchens."

The Agency will also co-ordinate food law enforcement and commission research, taking over many of MAFF's roles. It will also have a key role in nutrition, identifying and recommending balanced and nutritious diets for the public, although Jack Cunningham, the agriculture minister, said that it would not mean the agency would be telling people what they should eat. The

agency would, however, be "radical" and bring about "fundamental changes", he added.

Part of it will be paid for by the food industry itself while the White Paper says "should bear the bulk of the costs of improving food safety and standards" as the industry "will benefit from the improved public confidence in safety".

The suggestion is that the 600,000 shops, restaurants and manufacturing plants which are already registered with local authorities would have to pay a licensing fee. The suggested flat rate of £100 per premises per annum would raise about £60m, "a substantial amount". It is expected that the agency's total annual expenditure will be more than £100m.

Frank Dobson, the Secretary of State for Health, stressed yesterday that that would not give the food industry power over the agency. "Industry will not be laying down conditions," he said.

Geoff Rootler, food safety minister, added: "There will be no 'no go areas' as far as we are concerned. It will be an independent agency."

But the proposals in the White Paper were met with dismay by the food industry lobbyists who had argued against the inclusion of nutritional advice and have expressed opposition to any suggestion that businesses should pay for the agency's work.

"The Food Standards Agency should not jeopardise its independence through being funded by the food industry,"

Sir David Naish, president of the National Farmers Union, said. "Its remit includes food safety which is clearly a public health matter which should be funded by the public purse."

Doctors, consumer associations and public health experts welcomed the White Paper.

The agency, which will report to the Department of Health, not MAFF, will be made up of a commission of twelve independent people, backed up by advisory committees and "several hundred" civil servants.

Earlier this week it was reported that a record number of people suffered from food poisoning last year – 100,000 cases. But scientists estimate the real number could be 10 times that figure.

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TOKEN 6: THE EYE, PAGE 4
INDEPENDENT AND INDEPENDENT
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TODAY'S NEWS

Venables banned

Terry Venables has agreed to a High Court order banning him from holding company directorships for seven years. The former England soccer chief decided to admit or not contest 19 allegations of serious misconduct. Page 5

Dodging the chop

Two pigs who escaped from an abattoir were still on the run last night. The boars slipped through the hands of abattoir workers in Malmesbury, Wiltshire, swam across the Avon and escaped through local gardens. Page 9

Branson denounced

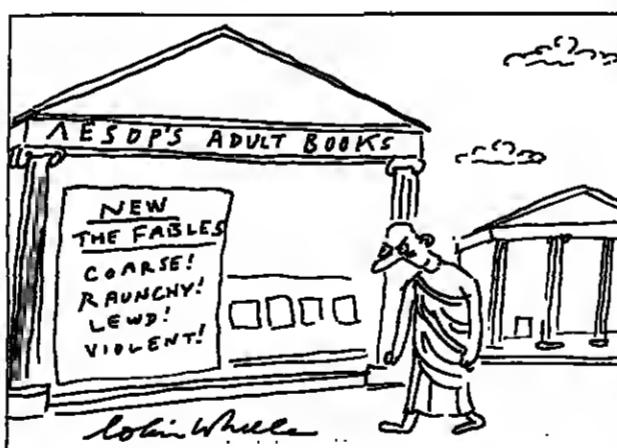
Richard Branson was described variously as a liar, a crass amateur, ill-informed, ill-prepared, humiliated, deluded and cowardly. The allegations were made as Richard Ferguson QC opened his case against Branson and in defence of Guy Snowden, the head of the American firm GTech, and the man the British entrepreneur accused of trying to bribe him. Page 5

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CROSSWORDS page 32
The Eye, page 9
WEATHERS The Eye, page 10

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Not Aesop at all – his fables were filthy



Aesop's Fables, far from being children's stories, were coarse, violent and cruel. David Lister, Arts News Editor, reports on a new book that discovers 100 missing fables and causes us to revise our judgement on one of history's greatest story-tellers.

We all know Aesop's Fables. The tortoise who won a race against the hare; the mouse that helped a lion by biting through the rope that entrapped it; the pretty purveyors of Victorian morals that we have been led to believe. They are instead savage, coarse, brutal, lacking in all mercy or compassion.

"Some of them were probably suppressed because they

were very violent and didn't suit the purposes of the Victorians. They were brutal or they were non-Christian. They were about alien gods; they contained coarse, peasant humour and were very rude."

Aesop, a caustic social and political satirist rather than the comforting moralist he has been portrayed, lived in Greece in the sixth century BC. Robert and Olivia Temple, both well known translators, went to the last known edition of the Greek text, published in France in

1927, and spent two years working on it.

Victorian sensibilities may have applauded the moral of the beaver story, namely that if attacked for one's money one should sacrifice it rather than lose one's life.

But they could not, it seems, stomach the actual fable which says that "when the beaver sees himself about to be caught, he will bite off his own parts, throw them, and thus save his own life".

The Eye, page 5

Iraq in furious mood over human experiment claims

The crisis over Iraq flared dramatically yesterday over claims that Saddam Hussein may have conducted biological weapons experiments on human beings. So nasty is the notion, David Usborne suggests, it could move the stand-off from diplomatic squabbling to military action.

Members of the United Nations inspection team currently in Iraq, whose activities have provoked the latest stand-off between Saddam Hussein and the United States, have been seeking evidence that Iraq may

have used prisoners as human guinea pigs in a quest to develop biological weapons.

Richard Butler, the head of the UN Special Commission (UNSCOM), confirmed in New York that one of its teams entered the Abu Ghraib prison on Monday in search of documents relating to the possible tests. No such documentation was found, however.

The revelation further pumped up the stakes in the latest crisis over Iraq, triggered earlier this week when Baghdad objected to the composition of one of the UN teams headed by the former US Marine Corps officer, Scott Ritter. A third attempt to carry out inspections was blocked yesterday.

Diplomats speculated that the mere hint that Iraq may have exposed prisoners to lethal

substances could also help tip the balance in Washington towards taking military action against Iraq unilaterally. So far, no evidence of such tests has been found, sources emphasised, and the Iraqi Foreign Minister, Tariq Aziz, yesterday denied it had taken place.

Meanwhile, the UN Security Council condemned Iraq for blocking Mr Ritter and his team and reiterated its demand "that Iraq co-operate fully and immediately and without conditions or restrictions with the Special Commission".

The declaration was issued despite earlier wavering from Russia, and to some extent France, that had infuriated diplomats from other countries. Iraq claims the inspection teams are weighed down with members from Britain and the US. "This may be an attempt to throw sand in their faces just as we were getting close to something," he said.

not 1

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2/BRIEFING

COLUMN ONE

Now Britain gets its own monster from the deep

The big, amorphous blob which caused such a stir when it was washed up on a Tasmanian beach turned out to be whale blubber. Now a genuine, entire monster of the deep has come ashore on the Suffolk coastline. And there is no doubt what it is - a quarter of a tonne of very recently deceased leatherback turtle, measuring more than two metres from nose to tail.

It was found stranded in the surf on the beach at Sizewell nuclear power station by a woman walking her dog. It required a fork lift truck, borrowed from Nuclear Electric, to get the corpse out of the waves and safety ashore before the tide carried it back out to sea. Then, Froglife, the reptile and amphibian conservation organisation which supervised the recovery, had the turtle trucked down to London Zoo's Institute of Zoology for a post mortem examination.

That was performed by the zoo's veterinary pathologist, Andrew Cunningham, and Brendan Godley of Glasgow University's Marine Turtle Research Group. They found the turtle, weighing as much as three men, to be in good condition internally and externally apart from old and infected wounds on its shoulder and left eye. These would have left it blind and with impaired mobility and probably contributed to its death. The scientists believe the shoulder wound was the result of being entangled in a fishing net or rope. Tissue samples will be analysed to find out what burden of pollutants and toxins the turtle was carrying.

Mr Godley said more than 50 leatherbacks had been washed up on the British shoreline during the 1990s, but the great majority had been on the west coast. They were almost always badly decomposed so finding a near-pristine specimen on the North Sea coast was a great rarity.

The largest of seven marine turtle species, the black, white and crimson reptiles swim thousands of miles across oceans in a year, live for decades and do not start to breed until they are 10 years old. They hurt their eggs in the sand of tropical beaches but they swim into the cold waters of high latitudes for their jellyfish prey. They have no hard external shell, relying on sheer bulk and the toughness of bone and hide to deter predators.

"They're extremely endangered," said Mr Godley. Their fate is either to be caught accidentally in nets, then wounded or drowned, or to be killed for their meat when they come ashore to breed. Their eggs are also dug up and eaten.

Thousands of porpoises are also killed by fishing nets each year in the waters around Britain. Now a study is to take place into whether "pingers" - small, underwater acoustic devices - can reduce the death toll. These should deter the marine mammals, but not fish.

Irish and Cornish fishermen are taking part in a year-long evaluation of electronic pingers in the Western Approaches. They will be attached to gill nets, set in a long line on the sea bed and left for a day or two to trap fish swimming through.

— Nicholas Schoon



Washed ashore: The turtle is examined yesterday

Photograph: John Voos

PEOPLE



Farida Khanum: Company flouted its own procedures in dealing with her case. Photograph: Adam Shimai

Muslim was unfairly treated over headscarf

A Muslim woman who returned to her job wearing a headscarf after a pilgrimage to Mecca was sacked after her foreman claimed it was a safety hazard.

Robotics technician Farida Khanum, 21, was bullied by other workers at a Luton car plant, one of whom mockingly put a cloth over his head and referred to her as "Yasser Arafat".

A manager at IBC Vehicles, a subsidiary of General Motors, told her: "I can't have you walking around like that on my shop floor." Another worker asked: "Is that a new hard hat you're wearing then?"

Yesterday, an industrial tribunal in Bedford ruled that Ms Khanum had been unfairly dismissed and said there had been "a culture of discrimination" at IBC. The tribunal rejected IBC's claim that Miss Khanum had defrauded the company by taking uncertified time off to attend an open morning at the University of Hertfordshire.

She was never given the option of a possible compromise, such as wearing some form of helmet.

Ms Khanum had begun working for IBC, which makes parts for the Vauxhall Frontera, on leaving school in 1993. She achieved the highest exam grades among the IBC apprentices in 1995.

The tribunal found that IBC mishandled the disciplinary process and Ms Khanum's appeals against her sacking. IBC's actions "flew in the face" of its own rules and represented a "dereliction of fair procedure".

— Ian Burrell and Faisal Bodl

Robinson heads Arts Council

Gerry Robinson, the Labour supporting chairman of Granada, has been appointed new Arts Council chairman, succeeding former Tory minister Lord Gowrie, the Secretary of State for Culture, Chris Smith, announced yesterday.

Mr Robinson, 49, who was tipped for the post, will join the Arts Council of England immediately and take over from Lord Gowrie when he leaves at the end of April. He will serve for three years.

Mr Smith said: "I am delighted that Gerry has agreed to lead the Arts Council. I look forward to working with him to ensure the long-term health and stability of the arts in this country. He will take over a council which Grey Gowrie has fed with distinction for some years and I should like to thank him



Robinson: Labour supporter

for all he has done during that time.

Mr Robinson, who is also chairman of BSkyB, campaigned for Labour during the last general election. He has an active interest in the performing arts and is a council member of the English Stage Company as well as chairing the development of the Royal Court theatre.

Casey told to stay away

The disgraced Roman Catholic bishop, Emmon Casey, who fled to South America following revelations that he had a teenage son, may not be allowed to return to his native Ireland to work after all.

At the end of last year, things were looking hopeful. Ireland's Catholic leadership had signalled it would not object to his return, and the move was backed in a series of opinion polls. However, Vatican authorities are now understood to be blocking his return for fear of the amount of publicity the move might generate.

Dr Casey quit his Galway diocese after confirmation of an affair with Annalise Murphy, an American divorcee. In the 1970s, for the past five years he has since been involved in a mission in Ecuador.

— Clare Garner

UPDATE

WELFARE

Benefit fraud swallows £2.8bn

The Government lost £2.8bn through benefit fraud and errors - one twelfth of the total bill - according to a report published today.

As a result Sir John Bourn, the Comptroller and Auditor General, has refused to give a clean bill of health to the finances of the Department of Social Security. He estimates that Income Support fraud has gone up by 25 per cent in two years, to £1.77bn.

Although there were no directly comparable figures for previous years, initiatives to cut out errors seemed to be having little effect. One in five benefit assessments were found to be wrong in 1996-97 - the same figure as in 1995-96. However, the Government saved £691m on the Jobseekers Allowance, partly because the new benefit deterred claimants.

— Fran Abrams

SOCIETY

Diana song No 1 for funerals

It was inevitable - just as Diana's name rose in popularity after her death so did the song "Candle in the Wind" sung by Elton John at her funeral has become the number one tune at funerals.

A survey by Co-operative (CRS) Funeral Service has revealed that while traditional hymns, such as "Abide with Me" are still popular, modern tunes are often the preferred choice for mourners.

— Kate Watson-Smyth

FUNERAL TOP TEN

1. "Candle in the Wind" - Elton John
2. "Simply the Best" - Tina Turner
3. "My Way" - Frank Sinatra
4. "Knocking on Heaven's Door" - Bob Dylan
5. "Every Breath You Take" - The Police
6. "Always Look on the Bright Side of Life" - Monty Python
7. "Sairway to Heaven" - Led Zeppelin
8. "Always On My Mind" - Elvis Presley
9. "Tears in Heaven" - Eric Clapton
10. "Seasons in the Sun" - Terry Jacks

MEDICINE

Drug blow for MS sufferers

Claims made by the manufacturers of a new drug for multiple sclerosis are "not convincing" according to the *Drug and Therapeutics Bulletin*.

The *Bulletin*, a *Which?*-style guide published by the Consumers' Association, says trial evidence for interferon-beta does not support the claim made by Biogen, the firm that markets the drug as Avonex, that it slows the progression of disability over two years.

The news is a blow to the UK's 80,000 MS sufferers although the drug is only suitable for those with the relapsing-remitting form of the disease.

— Jeremy Lawrence, Health Editor

EMPLOYMENT

Staff crisis in health service

Health service workers are leaving and not being replaced, leading to unpaid overtime, staff shortages and high stress levels, according to a poll of 3,300 NHS employees by the public service union, Unison. Almost half of NHS managers questioned said they worked more than four hours unpaid overtime every week, and three out of five workers said they had considered resigning in the past year because of low pay or feeling undervalued.

TOURIST RATES

Australia (dollars)	2.41	Italy, (lira)	2,857
Austria (schillings)	20.30	Japan (yen)	207.97
Belgium (francs)	59.71	Malta (lira)	10.62
Canada (\$)	2.27	Netherlands (guilders)	3.25
Cyprus (pounds)	0.84	Norway (kroner)	12.02
Denmark (kroner)	11.08	Portugal (escudos)	293.08
France (francs)	9.67	Spain (pesetas)	243.57
Germany (marks)	2.89	Sweden (kroner)	12.81
Greece (drachmai)	459.78	Switzerland (francs)	2.35
Hong Kong (\$)	12.22	Turkey (lira)	336,046
Ireland (pounds)	1.14	USA (\$)	1.59

Source: Thomas Cook

Rates for indication purposes only

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3/LEADING STORIES

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THURSDAY 15 JANUARY 1998

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actor



Kevin Costner:
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be a star
again?



The Verve:
Are they
really the
best?

Not in front of the
grown-ups: You,
your parents and
sex on the screen

Millionaire bankrolls the quest for eternal life

The search for eternal youth goes on – and some American scientists think they've found it, at least for body cells. The fact that they're wrong hasn't stopped shares leaping and wild claims being made. Charles Arthur, Science Editor, explains.

Miller Quarles, an 83-year-Texan millionaire has one obsession: to live forever. Not as a clone, not through his children; as himself. "I've got the

chance of funding a private company to take it further. In 1992, the Geron Corporation was set up in California.

Hence you can imagine his pleasure when this week, a team at Geron Corporation, working with Woodring Wright at the University of Texas, announced that it had managed to make human cells live significantly longer in a laboratory dish than they normally would.

The key to this was producing an enzyme that the body does produce naturally, called telomerase, which prevents the telomere from shortening.

"This offers direct evidence that telomere shortening causes cellular senescence," said the team in *Science*, adding that the long-term implications are "staggering" and that "by all accounts these cells had found their fountain of youth."

Dr Wright added, "This research raises the possibility that we could take a patient's own cells, rejuvenate them, then modify the cells as needed and give them back to the patient to treat a variety of genetic and other diseases."

So can Mr Quarles pop the champagne? Is he going to have his wish of living forever?

Sadly, no. Other experts in aging point out that telomerase is not the whole story at all. Professor Robert Newbold, at Brunel University, said: "Aging isn't solely about loss of reproductive capacity. Cells which don't divide, such as muscle and nerves, also die off in time. And rodents' cells are always producing telomerase – their telomeres don't shorten. But they die after a couple of years."

Instead, other scientists reckon that aging is a cumulative process, in which damage to the powerhouses of the cell – the mitochondria – by "free radical" chemicals builds up over time. Genetic damage may also cause cells to self-destruct. "We can safely say that telomerase is not the secret of eternal life," said Professor Newbold.

Still, news of the research

cells left to put me back to where I was at 45, if only they can be made to divide in time," he said in a recent interview. "I have to stay alive and keep healthy, because statistically, time is running out."

Cell division is where some scientists think the fountain of youth, the Holy Grail of ageing, resides. Every human cell has a "fuse" called the telomere on its DNA: each time the cell divides, the telomere shortens. When it reaches a set length, its cell simply dies. (In sperm and egg cells, the fuse is simply reset.)

Logic would suggest that preventing the telomere from shortening would give you eternal life. When this idea was presented to Mr Quarles in 1991, he leapt at

Miller Quarles: Time is running out

the chance of funding a private company to take it further. In 1992, the Geron Corporation was set up in California.

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Still, news of the research

A grand announcement that everyone had heard before. A brand new apology that turned out to be old. And now the multi-million pound investment that never was. Richard Lloyd Parry reports from Tokyo on a distinctly underwhelming prime ministerial visit.

Tony Blair's trip to Japan was further undermined yesterday, when reports that he had enlisted Japanese money to sup-

port the Millennium Dome project were denied by some of the country's biggest companies.

Newspaper articles suggested yesterday that Toyota, among other Japanese firms, was considering contributing £12m towards the building of the Dome in Greenwich, southeast London. The reports, based on briefings given by prime ministerial aides, said that Mr Blair raised the matter personally with the Toyota president last week, and that the company would be sending a representative to London to discuss the idea, having expressed "a strong desire" to partic-

ipate. Hiroshi Okuda, Toyota's president, last week confirmed that it would spend £150m on expanding its manufacturing investment in Desilie. But the idea that they might also rescue the Dome, which is well short of its target of £150m in private-sector investment, appeared to be a case of wishful thinking, or wilful spin-doctoring.

Yesterday, a Toyota spokesman in Tokyo called the reports "puzzling". "We've not even given an indication we'd be prepared to consider it," he said. "... Mr Blair mentioned it to Mr Okuda, but we're not seriously thinking about it."

Sony, Toshiba and Nissan, who were also named as potential millennial benefactors, denied they had ever been approached regarding the project, and their spokespeople in Japan had not even heard of the Dome. Even British diplomats in Tokyo knew nothing about the proposed sponsorship.

The millennium travesty appears to be a final effort to spin a positive headline out of a prime ministerial visit to Japan which was thin and uneventful at best. Mr Blair did give speeches, hold summits and open the year-long UK '98 festival. But nearly half of his four

days were spent on sightseeing, shopping, and being interviewed. Even the grand Toyota announcement had been leaked several weeks before.

Relations between Japan and the UK are generally very smooth, but the one issue of contention – the demands for an apology and compensation by former British prisoners of war – also became bogged down in confusion. After a meeting with the Japanese prime minister, Ryutaro Hashimoto, Mr Blair's official spokesman, told reporters that the Japanese had offered a new "official" apology. Within

hours a Japanese official said exactly the opposite: Mr Hashimoto's words were simply a reaffirmation of an official statement made by his predecessor two years ago.

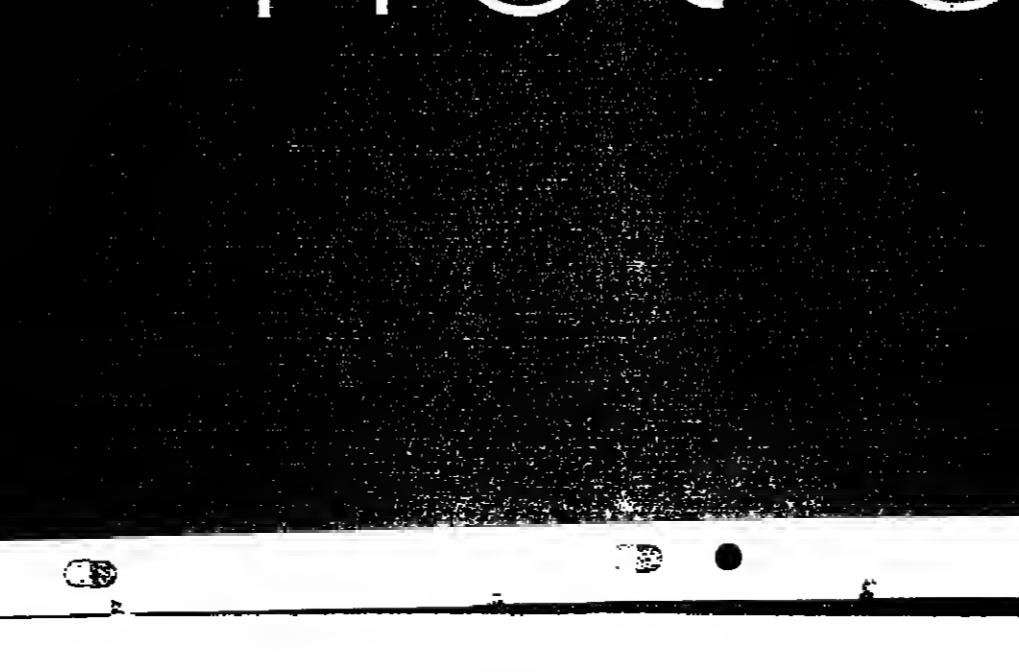
Then in, of all places, yesterday's *Sun* newspaper. Mr Hashimoto restated "our feelings of deep remorse and heartfelt apology". Yesterday threatened to turn nasty for him when the right-wing Shingo Nishimura, promised to raise the matter in the Diet. "You can't apologise for everything that happened in the past ... Hashimoto is so weak and stupid, he cares so much what people think of him," he said.

Help out the Dome? Not us, say Japanese companies

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not 3



'Friendly fire' is blamed for shoot-out in Belfast

An RUC officer last night remained critically ill after being shot by an undercover soldier following a car chase in Belfast. David McKittrick, Ireland Correspondent, on an incident described as a 'friendly fire' tragedy.

The woman soldier was said to have been engaged in plain-clothes surveillance work aimed in particular at spotting loyalist assassins following the recent upsurge in violence. Two Catholics have been killed in the area in recent days in retaliation for the INLA assassination of the loyalist leader Billy Wright inside the Maze prison.

She opened fire on the officer after her car crashed while being pursued on the Crumlin Road in the north of the city early yesterday, according to official accounts.

The policeman had been travelling in an unmarked car but was in uniform at the time. He appears to have been on a routine RUC patrol which encountered the woman, who was alone in a car.

The soldier, who is said to have fired a number of shots, was interviewed by police yesterday. An RUC spokesman said that at no stage were any shots fired by the police.

Incidents of "friendly fire" fatalities have been rare during the Troubles, with around a dozen deaths. Most of these took place in the early 1970s, a majority of them happening in north Belfast. The most common casualties were troops shot mistakenly by other soldiers.

Coincidentally, yesterday's incident took place on the same stretch of road as a woman undercover soldier shot and killed a loyalist in 1989. On that occasion he was making his escape after shooting a Catholic man.

RUC assistant chief constable Bill Stewart said there were strict guidelines designed to prevent such incidents. He added: "We will be examining this incident and take whatever action is necessary to prevent a recurrence."

"Considering the circumstances... and the risks involved in protecting the public from terrorism, incidents of this kind have thankfully been few and far between."

His sentiments were echoed by Ulster Unionist security spokesman Ken Maginnis MP, who said: "I know from experience how difficult it is to operate uniformed people and undercover agents at the same time. The authorities must make sure it does not happen again. It's amazing this sort of hiccup does not happen more frequently when members of the security forces have to operate under such difficult and trying conditions."

• There were strong rumours around Westminster last night that an apology for the Bloody Sunday massacre could be made next week by Mo Mowlam to mark the 25th anniversary of the killing of 13 people by paratroopers in Londonderry.

The nationalist SDLP MPs are expecting a move to respond to feelings in the nationalist community but it is fraught with risks, and the Government may not be able to meet the demands for a full public inquiry which could open ex-soldiers to murder charges.



Gerry Adams with his wife, Deirdre, at her husband's funeral yesterday. Photograph: Reuters

Adams joins funeral tribute

Up to 5,000 people yesterday attended the funeral in west Belfast of Terry Enright, a relative of Sinn Fein president Gerry Adams, who was shot dead by loyalists at the weekend.

Since he died, a number of cross-community tributes have been paid to Mr Enright, the 28-year-old who was married to Mr Adams's niece and whom was the father of two children. He was noted for his work with the young and disadvantaged.

Hundreds of children lined the route, many of them holding banners paying tribute to his work.

At yesterday's funeral Gerry Adams carried the coffin for a time as Mr Enright's widow walked behind carrying a single red rose.

He was shot dead last Saturday as he worked as a doorman at a city centre club which was owned by a relative of the loyalist politician, David Ervine.

Mr Ervine has said that the group which claimed responsibility for the attack, the Loyalist Volunteer Force, had wished to strike at him and his family. The LVF, which was founded by the loyalist Billy Wright, opposes the peace process.

The Catholic Bishop of Down and Connor, Dr Patrick Walsh, told mourners: "Terry was born in 1969, a fateful year. 1969-1998 was year after year of agony piled on agony. 1998 is a fateful year in a different sense, a year that will see the agony over, and the darkness of bitterness, suspicion, hatred and terror scattered in the warm light of tolerance, respect, love and peace?"

Dr Walsh said Mr Enright had been murdered simply because he was a Catholic, adding: "Not only those who pulled the trigger were guilty but also those who had fomented bitterness and hatred with inflammatory words."

— David McKittrick

Women recalled for breast checks in Humberside

Health officials in Humberside yesterday recalled 1,000 women for repeat breast screening after checks showed their mammograms were not sufficiently clear. A routine inspection of 16,000 mammograms made by the Humberside Breast Screening Service between April 1995 and March 1996 showed some did not meet quality standards.

The problem was discovered after doctors observed that the cancer detection rate in the area was below the national average. Ian Galloway, medical director of Royal Hull Hospitals NHS Trust, which manages the service, stressed the recall was only precautionary and did not mean cancers had been missed. He said: "We are re-screening these women to ensure we have the best quality X-rays. We apologise for the disruption and distress that this will cause."

— Jeremy Lawrence, Health Editor

Blaze kills two children

Two young children died trying to hide in a wardrobe as fire swept through their bedroom yesterday.

Christopher Webb, aged four and his sister Patricia, three, were killed when the blaze broke out in the upstairs bedroom of their two-storey flat in Eltham, south London.

Their mother, Julie, 25, and two unnamed men were taken to St Mary's hospital, Sidcup, suffering from shock. One of the men had attempted to reach the children but was beaten back by fierce flames. Fire Brigade officials said.

Their bodies were discovered after firefighters fought their way into the bedroom using a hose reel, assistant divisional officer Dave Smith said.

He said there was no indication of what had started the fire.

Hunt dogs tore cat to bits

A hunt might be prosecuted by the RSPCA after some of its hounds killed a cat while the animal's owner watched.

RSPCA officials said they had launched an investigation into the incident at Old Northamptonshire after hounds from the Pytchley hunt ran loose onto a residential area and torn the five-year-old cat called Missy to pieces.

The cat's owner, Elizabeth Moss, who is heavily pregnant, had watched the attack but had not realised the victim was her cat. She had questioned the huntsmen about the attack and had been told that the dogs were killing a fox. She only learnt the truth some hours later.

Hunt officials have offered to give her a kitten.

Police officer arrested

Ten people were arrested yesterday, including a British police officer, after the seizure of £1m of cannabis resin on a yacht in the French port of Calais, Customs & Excise said.

A spokesman said eight arrests were made in Birmingham after a joint operation with French police. He added that two other men, including John McAneney, 47, a West Midlands police officer, were helping French police with inquiries into the discovery of 200kg of cannabis at the port. The spokesman said that a yacht carrying the drugs was forced to return to Calais due to bad weather after setting sail for England. Eight people were in custody at Solihull North police station and extradition proceedings are being considered in relation to the two men arrested in France.

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5/NEWS

Venables banned as company director for seven years

Terry Venables, the former England football coach, was yesterday banned from being a company director for seven years. Ian Burnell charts the spectacular fall from grace of the man who enjoyed hero status after the Euro 96 championships.

Whether as a football chairman, a karaoke bar owner or writing detective stories for television, Venables has always had an eye for money-making opportunities.

But after nearly four years of strenuously denying allegations of improper business conduct, he caved in yesterday and chose not to challenge a mountain of evidence compiled against him by the Department of Trade and Industry.

Usually always ready for the cameras with a cheeky grin, Venables did not appear at court. He had reached a settlement with DTI lawyers and agreed to be disqualified from directorship and from being concerned in forming, managing or promoting companies for seven years.

Although the evidence was not read out in court, *The Independent* has obtained a copy of the crucial guarantee agreement which Venables made to obtain a £1m loan to buy shares in Spurs.

Venables had denied the existence of the guarantee, but the DTI was able to obtain a copy of the document, signed in August 1991, and a statement from Charles Dyer, a director of the loan firm Landhurst

Leasing, who witnessed the signing.

The circumstances under which the loan was raised were central to the DTI's case which related to Venables' alleged mismanagement of four companies - London drinking club Scribes West, Edenmore, Tottenham Hotspur and Tottenham Hotspur Football and Athletic Company.

Elizabeth Gloster QC, for the DTI, told Mr Justice Evans-Lombe that Venables' conduct in relation to the four companies "has been such as to make him unfit to be concerned in any way with the management of a company".

The 19 allegations set out in an agreed statement of facts amounted to serious breaches of his obligations and responsibilities as a director.

Venables, 55, did not dispute the core material facts in the statement and accepted that the conduct alleged was of "such seriousness as to render him unfit".

News of the disqualification prompted a statement from the competition and consumer affairs minister, Nigel Griffiths, who said: "We recognise his great achievement in football coaching, but even our national heroes cannot be allowed to fall below accepted standards of probity when they enter the business world."

Since Venables took England to the semi-finals of the Euro 96 championships he has suffered a succession of humiliations.

Yesterday's court hearing stems from his split with Alan Sugar, with whom he ran Tottenham for two years until 1993. The pair have become hit-



Rise and fall: Venables was pronounced unfit to be concerned in any way with the management of a company. Photograph: Laurence Griffiths/EMPICS

At the same time he had taken control of First Division Portsmouth, paying just £1 for a majority share option.

By the time he left the club last week, it was in disarray, losing £150,000 a month and bottom of the league. Venables, who rarely attended matches but had taken a £300,000 "performance" bonus, claimed an extra £230,000 as a pay-off.

Earlier this week, senior FA officials met lawyers to discuss whether Venables and other senior football figures should face disciplinary proceedings following an investigation into whether unofficial "bungs" were paid as commission on transfer deals.

ter rivals. In October 1996, Venables was ordered by a court to pulp all remaining copies of his autobiography and pay £100,000 in damages to

Sugar, the Spurs chairman, after a libel action. Venables tried to claim a victory as most of the books had already been sold.

Last October, Venables was denounced as a perjurer by Judge Timothy Pontius who accused him of "deliberately and dishonestly" misleading a jury, when giving evidence on

behalf of his right-hand man Eddie Ashby, who was jailed for four months.

In November 1996, Venables became national coach of

Australia but his dream of taking them to the World Cup failed as they were knocked out by Iran in the final qualifying round.

Branson accused of being cowardly and a liar

Richard Branson took to the witness box yesterday at a two-way libel trial centring on allegations of attempted bribery. Andrew Buncome was in court.

Richard Branson has been called many things in his time, some complimentary and some less so. Yesterday most of the descriptions fell into the second category.

In the space of around 90 minutes he was described variously as a liar, a crass amateur, ill-informed, ill-prepared, humiliated, deluded and cowardly. The series of allegations came as Richard Ferguson QC opened his case against Mr Branson and in defence of Guy Snowden, head of US-based firm GTech, and the man he

BBC Panorama programme in which Mr Branson made the allegation.

Mr Ferguson also scrutinised details of a note Mr Branson said he had made after the alleged bribery attempt the QC questioned whether the words 'what can we do for you Richard?' amounted to a bribe.

Why did Mr Branson conclude it was a bribe, he asked. "Did he delude himself into thinking he had been the subject of a bribery attempt by this odious American? Was it easier for him to live with that mistaken conclusion than to admit he had been shown up as a crass amateur?"

Mr Branson later described in detail the lunch in September 1993 involving himself, his associate John Jackson, head of Sketchley's, and Mr Snowden, a director of Camelot, the company that won the lottery franchise. He said he planned to bid to run the lottery on a non-profit making basis.

Mr Snowden tried to talk him out of this and even asked him to join his own consortium. Mr Branson said: "He was sweating, mopping his brow. He shuffled towards me and then he came out with these incredible words. 'I don't know how to phrase it Richard, there is always a bottom line, I'll get to the point. In what way can we help you? I have never been so what is the word ... flabbergasted. No one has ever tried to bribe me before.'

Mr Branson said he asked Mr Snowden what he had meant. "His reply was, 'There is always something in life everybody needs'. He replied he had no need of anything.

"John Jackson's eyebrows were hitting the ceiling," said Mr Branson. "Snowden was sweating and mopping his forehead. There was a deathly hush. I had no wish to be in the presence of this man any longer."

Mr Branson said that he later a phone call from the publicist Sir Tim Bell on GTech's behalf saying that Mr Snowden might have said something he regretted and asked whether Mr Branson was going to the press.

Mr Branson, 47, also told the court that after Mr Snowden and his consortium were awarded the lottery contract he revealed the attempted bribe to Peter Davis, director general of the lottery watchdog Odot.

The trial continues.



Branson: 'No one has ever tried to bribe me before'

British entrepreneur said tried to bribe him. Mr Branson is suing GTech, Mr Snowden and its PR director after they dismissed his allegation of attempted bribery, while GTech is countering Mr Branson over the original allegation.

In the High Court yesterday Mr Ferguson said that any attempt to try and bribe Mr Branson would have been madness. He added: "Mr Snowden did not get to the position he now occupies by being a madman."

He said if Mr Branson genuinely believed Mr Snowden had tried to bribe him, he should have said so at the time.

"He should not have waited two years before going public and then making this cowardly attempt on television," said Mr Ferguson, referring to a 1995

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Europe offers export hope to Ulster beef farmers

The first UK-bred beef could be back on sale in Europe by Easter after a partial lifting yesterday of the two-year trade ban. Katherine Butler, in Strasbourg, says the European Commission agreed to ask member governments to allow beef exports from Northern Ireland.

The Commission's unanimous support for a scheme to admit exports from what will be known as "certified BSE-free herds" in Northern Ireland can be viewed as the first step on the way back to normal trade.

Jack Cunningham, the agriculture minister, welcomed the development but cautioned that it amounted to clearing just the first of many hurdles.

Only two governments, Ireland and Holland, already back the case for lifting the ban on Northern Irish beef, so convincing a majority to vote in favour

will be a huge hurdle in the face of hardline German resistance.

The next barrier will be referral on 21 January to member-state representatives on the EU's Standing Veterinary Committee. Under the bloc's arcane voting rules this Committee could lift the ban on Northern Irish exports if a qualified majority agrees.

This is unlikely, however, so the Commission expects to have to refer it to the Council of EU agriculture ministers where the German government is expected to do all it can to muster a majority against. One tactic might be to link agreement to demands that Germany should be declared a "BSE-free zone" but the EU agriculture commissioner, Franz Fischler, yesterday warned the Germans against politicising a matter which should be decided on scientific grounds. "There is clear hope now. If we are successful with this first step then I am personally convinced the next steps will follow," he said.

For Ulster farmers, who have been lobbying for months

for special treatment, set apart from the rest of UK farmers, yesterday's decision comes as vindication of the argument that their herds are grass-fed and have been afflicted by a very

low incidence of BSE. But the key factor was the existence in Ulster of a 10-year-old computerised cattle-tracing system, unique in Europe. This will allow farmers there to identify

those animals and herds which have never been afflicted by BSE. Around 85 per cent of farmers in Northern Ireland are involved in cattle rearing and beef production, an industry

which generates more than 20,000 full-time jobs.

But they will have to comply with tough conditions even if the proposal goes through. Exports would be allowed only for

deboned meat from cattle aged between 6 months and 30 months which comes from herds free of BSE for at least eight years and slaughtered and processed on approved premises. As one of the conditions, the EU food safety commissioner, Emma Bonino, ruled out any exports from Northern Ireland which pass through British meat factories.

In the pic: Lidgate's, the butchers, selling UK-bred beef in west London yesterday in a scene that will be repeated across Europe if the EC proposal succeeds. Photograph: David Rose

Danger labels are slapped on eggs, cheese, carrots, baby milk – and meat

In the last 20 years, one food scare has followed another, with panic reaching a peak over beef. Glenda Cooper, Consumer Affairs Correspondent, follows the trail of poison.

"We do warn people now that sadly most of the egg production in this country is infected

with salmonella." Thus the first big food scare of recent times was started in December 1988 by Edwina Currie, then a junior health minister.

It was the first of many. Ready-cooked poultry and soft cheeses were the next victims, with the listeria outbreak of 1989. The same year there was a botulism scare after one contaminated batch of hazelnut yoghurt was found.

In February 1993, high levels of patulin, a toxin occurring

naturally in juice, were found in apple juice. And then in May 1995 the discovery of high organophosphate levels led to government advice to peel carrots before eating them.

Parents panicked in May 1996 when nine leading brands of baby milk were said to contain levels of phthalates, "gender bender" chemicals. The European Commission later concluded that there was no danger to babies. Then 20 people died in an outbreak of *E. coli* O157.

It began in November 1996, and was traced to a butcher's shop. The Government ordered an inquiry, led by Professor Hugh Pennington, which called for sweeping changes in food safety. This week, he said the Government had not acted fast enough on his recommendations.

But the mother of all the scares is beef – specifically, the link between bovine spongiform encephalopathy (BSE) in cattle and new-variant Creutzfeldt-Jakob disease (v-CJD) in humans.

It was 1985 when scientists from the Ministry of Agriculture, Fisheries and Food (Maff) began to investigate – later named BSE – symptoms of a new disease in cattle on dairy farms. In 1988, the government set up a working party under Sir Richard Southwood to consider the significance of the BSE epidemic. Compulsory slaughter and incineration or burial of cattle showing symptoms followed. More than 170,000 cattle were diagnosed between

1987 and 1997, but estimates showed that up to one million with the disease but showing no symptom were used in human and animal food.

The government insisted that there was no danger to the public. Many scientists, meanwhile, quietly gave up beef.

In May 1990, John Gummer, then the minister of agriculture, infamously fed his daughter Cordelia a hamhur to prove its safety. In 1993, Kenneth Calman, then chief medical officer, issued a statement to calm fears. Douglas Hogg, Mr Gummer's replacement, continued to emphasise that British beef was safe to eat.

But in 1994 a handful of teenagers fell ill apparently of CJD, which usually affects only those over 60. The government denied a link to BSE.

On 20 March 1996, Stephen Dorrell, then secretary of state for health, announced that the most likely cause of v-CJD was exposure to BSE. A Europe-

wide ban on British beef followed, killing a £500m industry almost overnight, and the government banned sales of specified material from cattle, sheep and goats. By August 1997 more than 1.7 million cattle had been slaughtered. Most recently, the Minister of Agriculture, Jack Cunningham, banned the sale of beef on the bone.

To date, 23 people have died of v-CJD, but scientists say it is too early to know whether thousands more will follow.

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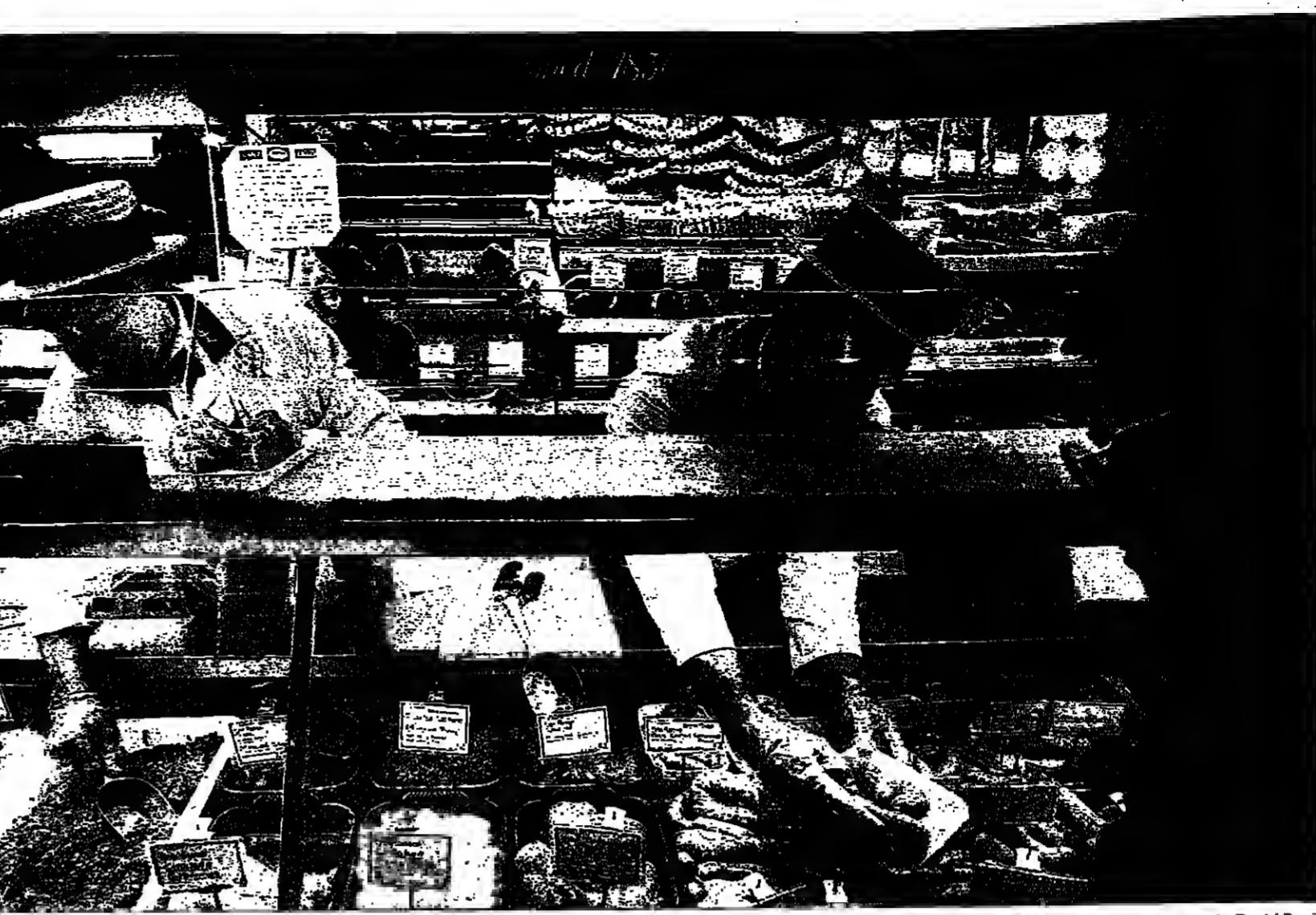
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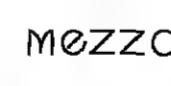
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9/ THE GREAT ESCAPE

Pigs' flight to freedom brings promise of sanctuary

Three little pigs went to market, but only one was slaughtered. The other two saved their bacon by making a daring escape from the abattoir. They are still on the police's 'wanted' list, writes Clare Gamer.

The two runaway Ginger Tamworth boars are still on the run after six days. But while they trot around somewhere in Wiltshire, the news on their pal, a third boar transported with them who did not get away, was not so good.

On the two pigs' sixth day of freedom, a spokesman for Newman's Slaughterhouse, in Malmesbury, Wiltshire, said yesterday: "The third member of the group was processed in the usual way."

Meanwhile, animal sanctuaries across the country were volunteering their services for the surviving five-month-old boars.

Geoff Francis, from Hillside animal sanctuary near King's Lynn, Norfolk, said he would willingly give the heroic boars a home for life. "We would love to have this pair. We already have a refugee from the slaughterhouse, a bullock we called Braveheart, who swam a river to escape - just like the pigs."

"We have been inundated with calls from people asking us to save them, some have offered money to help us."

"It is amazing how fugitives like these two catch people's imaginations".

Indeed, it looks as if they will be able to take their pick of retirement homes.

At the PALS sanctuary near Salisbury, Wiltshire, staff said they hoped to have the pigs "safe and well" with them.

Even one of the policemen



Call of the wild: The Ginger Tamworths' great escape has caught the public imagination - 'Most people wish them the best of luck'

Photograph: Peter Cook

whose duty is to apprehend the runaways is rooting for a happy ending.

PC Phil Snow, who admits to eating meat only occasionally, and then never pork, said everyone was behind the pair. "Most

people wish them the best of luck. If I see them again hopefully it will be in circumstances where I can wave them goodbye and wish them a happy future," he said.

Several national newspapers

were bidding to buy the pigs and find them a home yesterday - if only the duo would give themselves up - and a mystery celebrity's representative was also rumoured to be trying to purchase them, offering "silly

money" to secure their future.

The two pigs slipped through the hands of abattoir workers last Thursday. They ran round the abattoir yard before forcing their way through a hole in the fence and racing off

through the streets of Malmesbury, only to be confronted by the river Avon. Undaunted, they dived in and swam for the other side.

After splashing their way

15 feet to the far bank the pigs

were approached.

What the pigs' final fate will be, nobody quite knows. The ultimate say will be down to their

owner, Arnaldo Dijulio, a council road sweeper who reared them on his smallholding. He said he had bred them for slaughter (they are each worth £40) and was not prepared to discuss their future.

— Clare Gamer

The breakfast treat that is a little too closely related for comfort



Revolted animals: Napoleon contemplating an uprising

The creatures outside looked from pig to man and from man to pig, and from pig to man again; but already it was impossible to say which was which.

George Orwell was spot on to cast pigs as the clever ones in his satire on Communism, *Animal Farm*.

The two boars who made a break for it this week when they were for the chop were obviously not stupid and, in this respect, they are unexceptional. Professor Peter Brooks, who has carved out a career as a pig be-

haviourist at Plymouth University, said: "It was really no accident that Orwell made them the thinkers and movers in *Animal Farm*. He knew what he was talking about. It may sound strange, I've watched pigs stand back and think about a problem."

He himself was sussed by sows when he tried to do an experiment on their eating habits. Within minutes of installing a computerised feeding system, he saw one of them getting into the exit door, defeating the

electronics and gobbling as much food as desired. Twenty minutes later, she had taught the others to do the same.

Primates—including human beings—are reasonably closely related to pigs. Anatomically, pigs are quite similar to people—hence the use of pig organs in heart valve operations—and like (the majority of) us they are omnivores who will eat almost anything. Apparently, they even taste like us: the Polynesian cannibals' term for human being is "long pig".

The "modern" pig began to develop in the 19th century when wild animals were crossed with imported stock. Distinctive breeds began to develop, some suited to particular parts of the country. Hence there is Berkshire, Gloucester Old Spot, and the now famous Tamworth.

But while we carry on breeding them for the table, the relationship between pigs and people is becoming a little more complex. Films such as *Babes* have inculcated in children the

notion that pigs are worth more than their fate as sausages. Children aren't the only ones, either. Since 1985 the Vietnamese Pot-Bellied pig has been promoted as a housepet; as the "pocket pig" or the "hog to jog with" on account of their diminutive size. They number an estimated 200,000 to 500,000 in the US today.

So what is the outlook for the breakaway boars of Tamworth, and how can they be helped to overcome their trauma? They could try to disguise themselves as Vietnamese, but would test even their skills. Had they been in France they could have teamed up with the huge numbers of wild boars roaming there. Surviving in the wild here is tougher.

Probably, their best bet is to find some suitably enlightened humans and seek asylum. If you are inclined to help, Mr Riffle suggests 10 things which make a pig happy: 1) grazing on fresh grass, especially clover. 2) Rooting, especially after a rain storm. 3) Special treats such as apples,

cantaloupes, watermelon, and fresh vegetables. 4) Sunbathing, but remember the lotion. 5) Belly rubs and butt scratching. 6) Scratching on trees, large rocks, fence posts, and each other. 7) Socialising with other pigs. 8) Wrapping up in blankets or burying themselves in straw during the cold months. 9) Wallowing in mud puddles or wading pools during the hot months. 10) Exploring the woods ...

Which, of course, these porkers have been happily doing.

— Clare Gamer

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10/IN THE COURTS

Mutilated prostitute accused husband of attack



Ann Fidler: No memory of savage attack. Photographs: PA

A jury was told yesterday how a man who discovered his mutilated wife barely alive was later accused of carrying out the attack. Steve Boggan heard the latest twist in the trial of Victor Farrant, who is charged with attacking her and murdering another woman.

A former civil servant-turned prostitute woke from a coma after being savagely beaten and accused her husband of trying to kill her. A court was told yesterday.

Ann Fidler, who used to work in the office of the former Tory minister William Waldegrave, had been uncon-

sious for 15 days after a savage attack allegedly carried out by Victor Farrant. But Winchester Crown Court was told yesterday that when her husband, Brett Fidler, called her at a rehabilitation clinic, she said: "You tried to kill me, didn't you?"

Mr Farrant, 48, a former builder, denies attempting to murder Mrs Fidler, 45, who was working as a prostitute from her home in Easleigh, Hampshire, in December 1995. He also denies murdering his former girlfriend Glenda Hosking at her home in Portsmouth two weeks later.

Mr Fidler, 31, a former gym owner, was cleared of suspicion for the attack on his wife after DNA tests linked blood found at the scene to Mr Farrant. But yesterday, Richard Camden Pratt QC, for the defence, revealed details of the phone call to the Victoria

House Rehabilitation Centre. "Do you remember her asking you 'You tried to kill me didn't you?' And you replied 'Yes, I did,'" he said. "Did you not say, 'Yes, I did, look at the trouble you caused me...'"

Mr Fidler said he did not recall such a reply but if he made it then "it would have been through shock" at being accused. "I definitely would not have said 'yes'. That is stupid," he said.

The court was told that Mrs Fidler had been beaten about the head with three glass bottles and an iron and had her face pushed through the toughened glass door of her cooker. She has recovered despite having part of her brain removed, but she has no recollection of the attack. The couple divorced in 1996.

Asked about his feelings towards her work as a prostitute, Mr Fidler replied: "We dis-

cussed it on a small basis but not on a large basis. It was her business and I had to accept that." Asked what services she performed apart from sex, he replied: "Bits and bobs. She whipped people and things like that."

Recalling the moment when he found his wife in the blood-spattered kitchen, Mr Fidler said: "There was no physical sign of anything apart from red. She had a wide gash - like a second mouth - in her neck. I could not see any head injuries at all because her hair was just too matted with blood. I felt shock and disbelief. I could not comprehend how I felt. Actually finding that it was her, I felt sick, very sick. It was horrible."

"You come to terms with it, but I will never get over it. I still wake up sweating every night, seeing her."

The trial continues.



Victor Farrant: 'Linked to crime scene by DNA'

Trial told how IRA bomb was primed

Traces of high explosive were found on a trailer abandoned by IRA terrorists shortly before they planted the Docklands lorry bomb, an Old Bailey court was told yesterday.

The explosive - PETN - is used in detonator cord, John Bevan, QC, for the prosecution, said. He alleged IRA bombers chose a private spot on wasteland in Barking, east London - a half hour's drive from Docklands - to make final preparations for the blast, which claimed two lives.

"No sensible terrorist would wish to drive a lorryload of home-made explosives from Belfast to London with the bomb primed," Mr Bevan said.

"One would pick a convenient place near the final destination to perform the important task of linking the time and power unit [timming device] to the explosive," said Mr Bevan. "The wasteland would be an ideal and convenient place." When it reached Canary Wharf the clock would be set.

Patrick McKinley, 34, from Newry, and James McCandle, 29, from Crossmaglen, Northern Ireland, deny conspiring to cause an explosion likely to endanger life or cause serious injury to property in the United Kingdom or Ireland between 30 October 1995 and 1 February 1996.

Mr McCandle alone also denies murdering Inam Bashir.

and John Jeffries, whose newspaper stand was destroyed by the bomb on 9 February 1996.

Mr Bevan alleged that important evidence was found in the area where the trailer was abandoned. Swabs taken from the trailer showed the presence of PETN - a constituent of Semtex also used as an explosive filling for detonator cord.

"The presence of PETN on that trailer makes a clear and logical link to the bomb lorry," Mr Bevan said. "The bombers had two jobs to do - to take off the trailer and arm the bomb."

"If they prepared the bomb first, dealing with the detonator cord, they got PETN on their hands or gloves and left it on the trailer, when they took the trailer off the lorry."

Motorway video surveillance footage from various cameras showed a "largish, ungainly looking vehicle" - with a trailer - "had travelled on the motorway...

Tachographs recording the lorry's progress on the two days leading up to the bomb were also found at Barking. It had travelled from Stranraer to Carlisle on 7 February, Carlisle to South Mimms, Hertfordshire - stopping at a service station at Cannock, Staffordshire - on 8 February and from South Mimms to Barking and then South Quay, Docklands, on 9 February, he said.

The trial continues today.

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My mother is beautiful at 66, artist tells world

An artist yesterday displayed posters of her mother dressed only in underwear. David Lister, Arts News Editor, reports on a shock art exhibition designed to highlight ageism.

It is a novel and aesthetic way of helping the aged. And it keeps it in the family.

An artist yesterday claimed that she was forcing people to confront ageism after placing five 6m by 3m poster hoardings featuring her 66-year-old mother in her underwear outside a busy Tube station.

Melanie Manchot said the images were "quite shocking" to London commuters at first. "You can see them taking a second glance," she said. The 31-year-old said her campaign is aimed at making people realise how artificial the stereotypical image of "near-naked busty blondes or super-slim 12-year-old-looking models" really is.

The artist, who is German but lives with her partner and baby daughter in Waterloo, south London, said: "The common view of women is that they are eternally young and beautiful. The terrible thing is that once you get beyond a certain age you are invisible – the way we are now is so prejudiced against older people, and so narrow-minded."

"My mother is featured in five different poses. She looks totally natural and she is proud to be who she is. The images are beautiful and I hope everyone can see that."

Ms Manchot's mother, Margaret, said she was happy to help her daughter get the message across. "I believe in her cause but I'm glad I live in Germany so nobody will recognise my pictures."

Ms Manchot has been studying the representation of women through her art for several years and was drawn to this display by the constant negative imagery of older people. The giant images outside South Kensington station in west London, are designed like an advertisement with a picture on one side and text on the other side.

The script on the posters tells the pub-



Family values: Melanie Manchot in front of the poster of her mother outside South Kensington station in London yesterday

Photograph: Fiona Hanson

lic that only five minutes walk away at the Blue Gallery, 93 Walton Street, there is a full exhibition of Ms Manchot's work – and it includes a full-frontal picture of my mother as well".

Anne Peck, of the Association of Greater London Older Women, welcomed

the posters. She said: "I hope they help to make everybody see that there is benefit and beauty at all ages. Many consider unwarmed bodies to be more beautiful than wrinkled bodies – in fact, there is far more character and expression in wrinkles."

And Robert Stansfield, spokesman

for pressure group Pensioners Voice, said: "Everything we see and read about is focused on people of below a certain age. Even Tony Blair is guilty with his 'Education, education, education', 'Welfare to Work', and 'Young Britain' statements ... A community cannot work suc-

cessfully if there is not respect for all ages."

A spokesperson for the charity Age Concern England said: "We are constantly campaigning against negative ageist stereotypes. We welcome and commend any activities that promote positive images of older people in our youth-obsessed society."



Devotees come to rescue of favourite painting

A chance encounter with an old favourite got the "Beauties of Bath" exhibition at Christie's, London, off to good start even before its formal opening last night.

The exhibition is intended to draw attention to Bath's Holburne Museum – both to the treasures it contains and the fact that without a substantial injection of cash it may not survive in its

elegant Georgian home for much longer. So organisers were delighted when two long-time fans of the Holburne noticed the display while visiting another exhibition at the St James's auction house and offered to "adopt" the 1776 George Stubbs painting *Reverend Robert Carter Thelwall and his family* (shown left). The adoptive parents, who did not wish to be identified,

visited the Holburne together 38 years soon after getting married and have returned many times since – but were unaware of mounting financial struggle.

Rev Carter and his ladies are in serious need of attention. In the 1770s Stubbs was experimenting with methods of painting and for the Carter family used a thin delicate layer of pigment on unprepared

panel. But it is peeling and the conservation work to be paid for by the new benefactor is likely to cost many times more than the £84 commission Stubbs received.

The exhibition, which runs until 3 February, includes paintings by Gainsborough, Allan Ramsay and Angelica Kauffmann.

— Stephen Goodwin,
Heritage Correspondent

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TOP

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Body art tests limits of taste

A grotesque exhibition of human corpses is Germany's artistic event of the year. Imre Karacs reports on Mannheim's "Bodyworlds".

A six-month old foetus, eyes half open, floats at the end of an umbilical cord out of an open womb. A tiptoeing male athlete stares straight ahead. A circle has been cut out of his forehead to offer a view of the brain. On the right side of his body, deep gashes expose the flesh. On the left, the scalp has peeled away the skin, allowing the lung, the stomach, bones and tendons to hang out.

Nothing is left to the imagination at the Museum of Technology in Mannheim, where 200 human bodies preserved in plastic and dissected in accordance with their creator's whim, have been stretching the boundaries of artistic freedom since October. Condemned as "immoral" by the Christian churches and denounced by the local government, the show has, never the less, been a great success.

Hardly anyone ever visited the turbines and steam engines that are on permanent display in a concrete-and-glass building at the edge of the south German city. But the "Runner", the "Transparent Body" and "Pregnant Woman" have attracted nearly a quarter of a million people to the ultimate voyeuristic experience.

"But is it art?", ask the critics, "or merely post-modernist entertainment in the worst possible taste". The answer, according to Gunther von Hagens, the creator, is neither. It's all in the name of science.

Seventeen years ago, Mr von Hagens left his job as anatomist, filled a garage in Heidelberg with fresh corpses, and got to work on his project to develop a novel technique for preserving human tissue. The "plastination" process he perfected immerses the body into ice-cold acetone in order to expel water and fat, and then replaces soft tissue with tough silicone resin or plastic.

The results are stunning. The "specimens" can be manipulated and frozen in motion choreographed by Mr von Hagen. Like the inhabitants of Pompeii, the exhibits are thus captured in some mundane task: answering telephones, leaping through the air, or even giving birth.

Immortality beckons, to Mr von Hagen as well as his subjects. On their way out of the museum, visitors can sign up for plastination. The ledger containing the names of volunteers is filling up fast.



Surgically enhanced: Pamela Anderson Lee happily breast-fed her child despite fears over the effects of silicone implants. Photograph: Gregg DeGuire

Medical advances under threat from patients who sue

'Mother sues over breast implants that left baby ill' said the weekend headlines about a British case. But scientists and doctors from the US say fears of lawsuits are leading health companies to shy away from providing new, useful technologies. Who loses? You, the patient – especially if you are female. Charles Arthur, Science Editor, Investigates.

American scientists and doctors are worried that lawsuits over medical equipment are killing off potentially useful technologies in the US – and that the same trend could follow here.

Their biggest objections are that the lawsuits, and sometimes decisions that follow, are based on 'junk science' which does not stand up to scientific scrutiny. Yet manufacturers fight shy of them because they don't want to end up with huge legal bills.

At risk, they say, are not just silicone breast implants, but also contraceptive pills, drugs for children, and even essential items such as pacemakers.

"It's a serious issue," said Cheston Berlin, a paediatrician at Penn State University's medical school, who complains that pharmaceutical companies are so scared of lawsuits that 80 per cent of drugs in the US don't have any labelling advice for doctors on what dosage children should receive. The result: if anything goes wrong, the doctor gets sued.

Elizabeth Connell, an emeritus professor at Emory University school of medicine, said: "There is a frenzy of litigation in the US over medical issues. It's the worst thing that's ever happened in the history of medicine for women in the US."

As a result, she said: "We have lost intra-uterine [contraceptive] devices, almost lost breast implants, and companies working on women's reproductive health issues have dropped from 20 to three. There used to be 14 companies working on female contraceptives; now there are just two." The reduction is not caused by mergers or business failure: "They just shut down their whole reproductive health division and went into fields where there was less litigation."

Last weekend, many newspapers carried a story saying that Mary Bowler, from North Walsham in Norfolk, had been granted legal aid to sue Dow Corning, which makes silicone breast implants. Ms Bowler claims her baby Daniella was harmed during the three days she was breast-fed because, Ms Bowler claims, the implants were deteriorating and leaked into the breast milk.

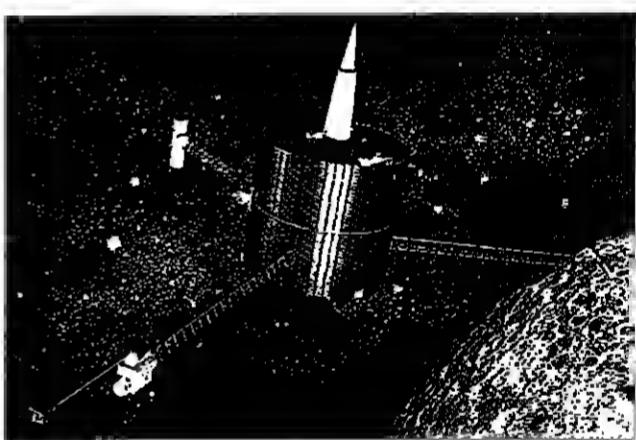
However, contrary to the reports, the legal aid will only cover the cost of seeking expert opinion, to see whether "there are reasonable prospects of success" if the case goes ahead.

It is still a long way from the courts. According to some American scientists, it should never get there. Ms Bowler's solicitor has declined to comment.

Dr Wendy Epstein, who has investigated the field of silicone-related legal cases closely, says that large-scale epidemiological studies have always shown that there is no difference in the amount of autoimmune disease in women with or without silicone implants, and "emphatically" no demonstrable effects on children of mothers with implants. Certainly, some mothers with implants have shown no worries about breast-feeding – the highest-profile of whom is probably the celebrity Pamela Anderson Lee, proud owner of both a breast-fed baby and a surgically-enhanced bust.

But a 1994 US study apparently showed that four of 11 children breast-fed by mothers with implants had illness and low-weight gain. Dr Epstein charges that the figures were distorted by only including ill children in the studies only after identifying them. That seriously distorts the statistics, and means they are not a useful guide to the effects – if any – of implants.

Search for ice water on Moon



The question of whether the Moon harbours huge reserves of ice water should be answered in about a month. The Lunar Prospector (pictured above in an artist's impression) launched last week by the United States space agency Nasa, has started scouring the lunar surface for possible reserves of water which could prove invaluable for any future human Moon colonies. The four-foot robot explorer is orbiting the Moon 96 km above its surface.

The search for water will be carried out by a neutron spectrometer, which will search the surface for signs of hydrogen.

"If water ice is present in the quantity some people have predicted, we may know that in the first month of the mission," mission manager Scott Hubbard said.

Human cloning techniques in use

Scientists investigating genetic problems are already experimenting on adult human cells with techniques that could pave the way to human cloning, according to new reports.

Experts in the field warned that while those people might not be interested in using their skills for cloning, others who followed them would – and that that would make the arrival of the first human clones inevitable.

Following the heavily-hyped claims by Dr Richard Seed, a Chicago-based physicist, that he intends to open a cloning clinic, American scientists have begun to reveal the parallel work they are doing which could one day lead to cloning.

According to *New Scientist* magazine, a team led by Zev Rosenwaks at the Cornell Medical Center in New York, is already transferring nuclei from cells with chromosomal damage into healthy egg cells to see how they develop.

"If the real problem lies

outside the nucleus, we might be able to fix those defects," he told the magazine. Mr Rosenwaks said the same technique could be used to grow eggs in culture for women with damaged ovaries.

Dolly the sheep, the first cloned adult mammal, was produced at the Roslin Institute near Edinburgh by taking the nucleus from a healthy cell and transplanting it into an egg cell which had had its nucleus removed.

The Cornell team's work is a variation on that, and reflects a possible useful applications of cloning mentioned by Ruth Deech, head of the UK Human Fertilisation and Embryology Authority (HFEA) to Parliament last year.

Don Wolf, of the Oregon Regional Primate Centre in Beaverton, commented: "I understand there's already a bit of a race among cutting edge IVF clinics to get into this technology."

— Charles Arthur

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13/CUBA

Castro makes political capital out of Pope's Havana visit

Pope John Paul II visits communist Cuba next week, the only Latin American country he has never been to. Phil Davison, Latin America Correspondent, looks at the welcome he can expect and what Cubans want from him

Believers or no, Cubans were glued to their television sets on Tuesday night to see an unusual sight: the island's Roman Catholic Cardinal delivering a speech about human rights and liberty.

President Fidel Castro had allowed Cardinal Jaime Ortega to broadcast to the nation in advance of the Pope's visit here between 21 and 25 January. It was the first time a churchman had been given air time since Mr Castro declared Cuba a communist and atheist state shortly after his 1959 revolution.

Cardinal Ortega did not push his luck. Referring to the Pope's role in the Eastern Europe of the Eighties, he described him as a patriot rather than an anti-communist and painted a rather abstract picture of the pontiff's idea of human rights and liberty. The new chumminess between Mr Castro and the Church emerged unscathed.

Both sides are bunting over backwards to make the Pope's visit a success and only the 77-year-old pontiff's frail health, visible when he stumbled during a baptismal service in the Sistine Chapel last weekend, is seen as a potential disruption after a long trans-Atlantic flight into Cuba's tropical heat.

Both sides have also played down any political motive for the trip. After 38 years in power, the shrewd Mr Castro clearly sees the Pope more of a potential ally – particularly by attacking the three-decade old US embargo on the island – than a po-



Icons: The Pope aims to consolidate Cuba's resurgent Catholicism. But the image of Che Guevara is also getting a fresh coat of paint



Photographs: Reuters

tential threat to his survival by stirring up the masses.

Even what might have been blown into a major diplomatic incident was played down by the Vatican. Vatican officials checking out the pontiff's accommo-

dation last month found a hidden microphone, presumably planted by Cuban state security agents. A mild protest was made but there was little sense of outrage or even surprise.

The Pope's aim is to consolidate the

resurgence of Catholic identity in Cuba after almost four decades when Christianity was taboo on the communist island. After Mr Castro declared Cuba atheist in 1962, hundreds of priests, many of them Spanish, were expelled, churches were

closed down and Catholics discriminated against.

Since the end of the Cold war, however, the Cuban leader has given the Church more scope, allowing open worship. His critics respond that he is using the Catholic

Church to balance an upsurge in Protestantism. There are now more than 50 Protestant denominations in Cuba, with 900 individual churches and at least 3,000 *casa culto*, or private houses, where prayer services are held.

Cuba is also pervaded by Afro-Cuban creeds such as Santeria and Abakua, similar to Haiti's voodoo, brought to the island by African slaves and gradually blended with elements of Catholicism. Many Catholics believe in or practise elements of these creeds. Leaders of the Afro-Cuban religions have complained at being excluded from the Pontiff's planned meetings with Protestant and Jewish leaders next week.

Acutely aware of the deep-rooted and widespread influence of the Afro-Cuban creeds, particularly among black Cubans who were the backbone of his stand against the wealthy elite, Mr Castro smiled on them after his revolution. But Catholic priests in Havana predict the Pope may make at least a veiled criticism of these creeds while in Cuba, encouraging their practitioners to integrate fully into the Catholic church.

Meanwhile, the Pope's visit has split the exiled Cuban community, mostly in the Miami area. The archdiocese of Miami, which organised a 1,200-passenger cruiser liner to sail from Miami to Havana to see the Pope and had permission from both the US and Cuba, was forced to cancel after heavy criticism from anti-Castro radicals. The latter have always insisted that no Cuban exile should return while Mr Castro is still in power.

One anti-Castro group, the Democracy Movement, says it will set sail in a "prayer flotilla" towards Cuba during the Pope's visit despite US State Department warnings to stay away from Cuban waters. "The US and Cuba should read the Universal Declaration of Human Rights, which they signed, and which gives the right to enter our waters and our territory," said Democracy Movement leader Ramon Sal Sanchez.

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Strain starts to show in Labour's EU honeymoon

Europe's honeymoon with Labour began showing the first signs of strain yesterday amid warnings that slick PR and smooth words are no longer enough. Katherine Butler reports from Strasbourg.

Unveiling plans for Britain's six-month EU presidency to the European Parliament yesterday, Robin Cook, the Foreign Secretary, repeated the Government's aim of "re-connecting" Europe to the people. Labour would try to build in Britain "a national consensus" after years of Tory hostility he pledged.

Mr Cook was left in no doubt during the debate which followed, however, of the deep sense of disappointment at Labour's decision to keep Britain out of the project which will have more impact than any other on its people: the single currency.

And despite a general acknowledgement that the Blair government has transformed

the atmosphere in relations between Britain and Europe, MEPs demanded that it now begin to deliver, to turn good intentions into concrete results, in particular on monetary union.

Betraying some irritation at new Labour's apparent emphasis on style over substance where Europe is concerned, the Liberal leader in the Strasbourg Parliament sniped that few presidencies had enjoyed such goodwill on taking office "and few have engaged in such a vast public relations exercise to generate it".

Gijs De Vries said it was "regrettable" that the British government had not been prepared to state "unambiguously and irrevocably" if and when the UK will join the single currency.

"The presidency will thus enter these crucial negotiations with one hand tied firmly behind its back. Tony Blair wants to lead in Europe - but Britain cannot expect to lead from the sidelines," Mr De Vries told the chamber.

The Christian Democrat leader, Wilfried

Martens, a former Belgian prime minister, also regretted the UK's self-imposed disqualification from the first wave of EMU and warned that "a heavy responsibility" would be placed on Britain to win over public acceptance for the single currency.

To raised eyebrows from Mr Cook, the Strasbourg assembly's Green leader, Claudia Roth, said the Blair government appeared to be conducting a "rock and roll presidency" while the SNP's Winnie Ewing speaking on behalf of deputies in the European Radical group said it reminded her more of "a slow foxtrot" with foot dragging on the single currency.

The Foreign Secretary said Britain's priorities would be on jobs, crime and the environment but moved to allay fears on Britain's role in the negotiations on monetary union. "We will discharge this responsibility to the best of our abilities fully and scrupulously in a way that shows Europe's constructive approach at its best. We want Economic and Monetary Union to be a success" he said.



Firm point: Gianfranco Delf Alba (left), radical Italian MEP, and friend, both in Mafia dress at a European Parliament news conference yesterday, where he denounced the soft drugs ban which benefits Mafia dealers. Photograph: Reuters

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Neo-Nazi ejected from inquiry

A parliamentary inquiry into the German army's links with neo-Nazis was plunged into farce yesterday when the key player showed up uninvited and was ejected from the premises.

Manfred Roeder, the convicted neo-Nazi terrorist who is at the centre of the scandal, was told he would not be called as a witness. "We will not provide extremists with a forum," declared the Social Democrat MP, Walter Kolbow.

Yesterday was the first, closed, meeting of the committee, convened at the end of last year after a spate of embarrassing revelations. Roeder's appearance by invitation at Germany's most prestigious military academy in 1995 and alleged links to the top brass head the list of "isolated incidents" involving the army and neo-Nazis.

Roeder had received material help from the army, including three vehicles, for his "charitable work" in East Prussia - he planned to repopulate former East Prussia with ethnic Germans from other parts of the former-USSR. The vehicles never reached their stated destination; Roeder sold them.

In an internal investigation, the defence ministry referred to the Roeder affair as a "striking mistake".

— Imre Karacs, Bonn

Croats sweep back with vengeance

History goes into reverse today, when Croatian authority is reimposed in an area of Croatia which just a few years ago many Serbs assumed would belong to them for the rest of time.

In November 1991, the siege and destruction of Vukovar symbolised the horror of the first war in Europe since 1945. The Yugoslav army shelled the town into ruins.

The inhabitants crawled from the cellar to find themselves at the heart of a Serb-occupied eastern Croatia.

But this has been yet another defeat for Slobodan Milosevic, the Serbian leader who remains in power despite having lost everything that his army fought for. In 1995, the Croatian army re-occupied a large area of southern Croatia where Serbs had been living for hundreds of years. In the two years that followed, Croatia gradually under the eye of the UN, re-established control over eastern Slavonia.

But the reintegration in Croatia has several times been postponed. The UN has insisted on guarantees that Serbs will not suffer when Croats move back in. But there are many who thirst for revenge. Serbs, too, are ready to hit back. Graffiti on houses declare: "[Serb nationalists], do not fear: we are staying here."

— Steve Crawshaw

US 'sorry' for junta support

Seeking to free Greek relations with Washington from becoming "hostages to history," the US ambassador to Athens yesterday apologised for America's unwillingness to strongly oppose Greece's 1967-74 military dictatorship.

The comments by Nicholas Burns were clearly aimed at establishing a fresh outlook toward the United States, which is taking a higher profile in efforts to ease disputes in the region.

Among the chief Greek criticisms of US policy was America's weak response to the junta, which many Greeks perceived as tacit support for the regime.

— AP, Athens

The sock that stops your feet smelling

There are some inventions which transform human existence as it has hitherto been lived or endured. To the aircraft, the computer and the nose-hair clipper must now be added socks-which-don't-smell.

Two French clothes manufacturers have begun - with mixed success - to market socks, underclothes and sports-wear treated with chemicals which kill the bacteria generated by human sweat.

A third company has produced another twist on the same idea, knickers and bras-sières which do smell but sweetly - of pink grapefruit, water-melon and spices.

According to one of the largest French market-research companies, Cofremca, consumers in France and elsewhere are increasingly preoccupied with smells and how to avoid them. The firm predicts a rapidly expanding market for "bio-active" garments, an idea first developed in Japan.

It appears that human sweat is not, in itself, smelly. It is only when broken down by bacteria that it begins to make its presence known. The smell-resistant

socks and knickers, on sale in France since last summer, are made from fibres impregnated with chemicals which keep bacteria below a nasally critical level. According to their manufacturers, the efficacy of the garments increases, not decreases, every time they are washed.

The head of one of the companies, Jean Fournier, of Mailfix, say that sales are good and market research suggests that there is a "latent demand" for products of this kind. But retailers remain cautious, reporting that the increased cost of the non-smelly clothes - up to 40 per cent extra - puts off some consumers.

A collection of pre-scented undergarments produced by Neyret - claimed as a first - will be only 10 per cent more expensive than usual. The clothes are dotted with tiny embroidered roses which contain micro-capsules of scent. As the clothes rub against the body, the pleasant odour is released in subliminal doses.

The new line will be released just before St Valentine's Day on 14 February.

— John Lichfield, Paris

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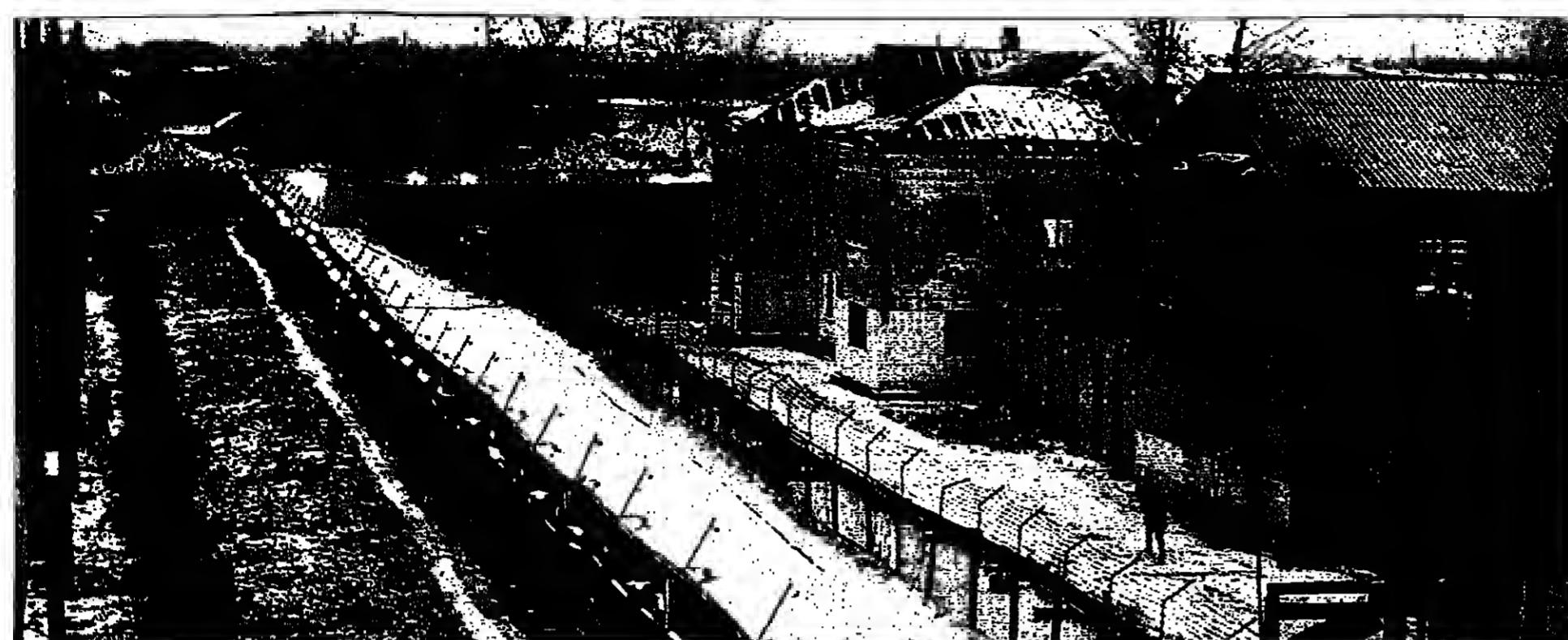
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How a meeting with British troops led to Siberian hell



Cold comfort: Anatoly Shandalov felt warmer in 1952 the barracks of a Siberian labour camp than in his unheated flat in Haifa in Israel

Photograph: Rex Features

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In 1945 Anatoly Shandalov, a 16-year-old Russian Jew with a liking for English literature, became friendly with two British sergeants in Lvov. Five years later he was arrested, tortured and sentenced to 25 years in prison. Our correspondent reports from Jerusalem on Mr Shandalov's long search for the two soldiers who changed his life.

In May 1945 Anatoly Shandalov, a 16-year-old Jew who had returned to Lvov in Western Ukraine on the heels of the retreating German army, met two sergeants named Frederick Grace and James Logie from a British military mission as he walked along the street.

Interested in English literature and wanting to improve his English he went back to their hotel. In the course of several meetings they talked about the war and celebrated the defeat of Germany together.

Mr Shandalov recalls: "On parting they left me a note: 'We, two Englishmen, are very glad to have met you. We hope that our friendship will be everlast-

a hotel chambermaid who had eavesdropped on his conversation with Sgts Logie and Grace, slandered Soviet reality in my talks with the British military mission".

After months of interrogation, sleep deprivation and beatings, Mr Shandalov was sentenced to 25 years in prison and five years loss of civil liberties. Stalin died in 1953 but he was only released in 1956. As an ex-prisoner he found it difficult to get a job. In 1990 he and his wife, with \$150 between them, emigrated to Israel.

But for years Mr Shandalov had wanted to trace Frederick Grace and James Logie, the unwitting cause of his troubles. He had heard nothing from them after 1945. He wrote to them, but his letters were never answered. He says: "In all probability they were intercepted." After he reached Israel he wrote to the BBC World Service, Missing Persons Helpline and the Ministry of Defence. None was able to help.

In July, *The Independent* published part of Mr Shandalov's story and he was disappointed when there was no response. Then in October Agnes White, from West Drayton, wrote to say that she was the daughter of James Logie whom she confirmed was part of the British military mission in Moscow. She had received a clipping about Mr Shandalov from a relative in Oslo. Her father had died of cancer in 1983, but had served as a soldier in Germany and Hong Kong.

It remains unclear what Sgt Logie and Sgt Grace were doing in Lvov in 1945. Even at the height of the wartime alliance the Soviet Union treated allied missions in Moscow as temporarily licensed spies.

Ms White says her father would never reveal much about what he was doing in the Soviet Union though he did volunteer to study English entered Lvov University and was writing his diploma essay on George Bernard Shaw's play *The Chocolate Soldier* when he was arrested by the MVD security police in 1950.

During his first interrogation Mr Shandalov was accused of being a British agent. He says the investigator alleged he was recruited by the British SIS to serve as a spy. "I got paid for the service with whiskey, cigarettes and chocolates." He had also, according to testimony of

BY PATRICK COCKBURN

ing. Long live Churchill! Long live Marshal Stalin!"

At the time the meeting did not seem dangerous to Mr Shandalov. It was the high point of the wartime alliance between the Soviet Union and the West. Sitting in his small flat in Haifa speaking near perfect, but slightly literary English, he says: "It never occurred to me, a naive youth, that a contact with allies might be considered a crime by the Soviet state security." After meeting the soldiers he resolved to study English entered Lvov University and was writing his diploma essay on George Bernard Shaw's play *The Chocolate Soldier* when he was arrested by the MVD security police in 1950.

During his first interrogation Mr Shandalov was accused of being a British agent. He says the investigator alleged he was recruited by the British SIS to serve as a spy. "I got paid for the service with whiskey, cigarettes and chocolates." He had also, according to testimony of

his family his encounter with a young Russian in a hotel in Lvov, when they had drunk vodka together and sung Noel Coward songs to celebrate VE Day. Nevertheless, Mr Shandalov feels that he has never escaped the consequences of that brief meeting. By the time he reached Haifa in Israel he was too old to find a job.

Sitting in his unheated room he says he caught himself "in an ironical thought, that then, in remote 1952, in the barracks of the Siberian labour camp, I felt myself warmer and more comfortable".

THE INDEPENDENT

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17/WORLD NEWS

SA urges help for Rwanda

South Africa, breaking from its cautious diplomacy on the troubled Great Lakes region, yesterday denounced a guerrilla campaign being waged by Hutu rebels and urged the international community to act. Condemning the slaughter of nine Roman Catholic nuns at a convent in Rwanda's north-west by Hutu rebels earlier this month, South Africa's Department of Foreign Affairs said in a statement the Tutsi-led Kigali government should be supported.

— Reuters, Johannesburg

Safeguard for Antarctic

A 50-year moratorium on mining and oil exploration in the Antarctic took effect yesterday with environmentalists hailing it as the most advanced step yet towards protecting the planet.

It took the governments of the 26 countries that adopted the protocol in Madrid in 1991 more than six years individually to ratify the ban. Japan last month was the final signatory to approve it, clearing the way for implementation.

— Reuters, Madrid

Unesco bid to help Bolshoi

Unesco, the UN agency for arts and culture, said yesterday that it would launch a fund-raising drive to raise £215m to renovate Moscow's Bolshoi Theatre.

Unesco said two Bolshoi directors would meet its officials this week to discuss the work required on the dilapidated 142-year-old building.

Moscow goes to Grozny

Senior Russian officials held negotiations with Chechen leader Shamil Basayev yesterday, two days after Russia's chief prosecutor said he still viewed Mr Basayev as a wanted criminal.

A high-level delegation travelled from Moscow to the Chechen capital, Grozny, for the closed-door talks with Mr Basayev, who is forming a new government, and Chechen President Aslan Maskhadov, Russian news agencies said.

— Reuters, Moscow

Hindu Ganges gathering

Thousands of Hindu pilgrims gathered on the banks of the Ganges as morning broke in the holy city of Hardwar yesterday.

Chanting hymns and praying, men, women and children stepped down into the chilly waters to cleanse themselves of sin as the last Kumbh Mela festival of this century got underway.



Big freeze: A worker clears ice from a shelter in Montreal, where most businesses remained closed on Tuesday of the danger of falling ice. About 600,000 homes across southern Quebec are still without power. Photograph: Reuters

Troops help in Canada storm clear-up

In Canada's largest-ever peacetime army operation, thousands of soldiers were yesterday deployed throughout the area battered by last week's ice storm.

"They have become peace agents," Prime Minister Jean Chretien said on Tuesday, during a tour of the so-called Blackout Triangle area south of Montreal, where power to 1 million people is not expected to be restored for one to two more weeks.

About 600,000 homes across southern Quebec and 65,000 in eastern Ontario remained without power yesterday, nine days after the most destructive ice storm ever in Canada began pounding the region.

The provincial power company, Hydro-

Quebec, warned customers throughout the stricken region that it planned rotating blackouts of up to six hours in areas with power in order to ease pressure on its system.

"We are in a crisis situation," said Elias Ghannouni, Hydro-Quebec transmission-line specialist. "If everybody were to take all the power they needed, we would overload the lines and cut off everybody."

Though power has been restored to most households in Montreal, more than 400,000 homes in about 100 towns to the south and east are expected to remain without electricity for one to two weeks while the transmission lines are repaired.

With night-time temperatures forecast

to fall to -18C, officials have been pleading with families in the Blackout Triangle to find warmer quarters, either in community shelters or at private homes in areas with power. Police and soldiers were instructed to check on residents and urge those in danger to evacuate.

More than 12,000 soldiers have been deployed to help with tree-clearing and relief operations in the stricken areas. Their duties include providing security in evacuated neighbourhoods.

The storm and subsequent power cuts have been blamed for 16 deaths in eastern Ontario and southern Quebec.

— AP, Montreal

Net snared US sailor in 'gay sacking' row

An allegedly gay sailor is challenging his discharge from the US Navy, claiming that the Navy and a major Internet service provider breached his right to privacy.

The case of Senior Petty Officer Timothy McVeigh brings together the fear of many Americans about confidentiality on the Internet and current concerns about sex and discipline in the US military, but it also calls into question the effectiveness of the "don't ask, don't tell" policy on gays in the military introduced by President Clinton soon after he took office in 1993.

Under that provision, gays were able to serve in the US armed forces legally for the first time and officers were not permitted to ask them about their sexuality.

The compromise — strongly criticised by gay campaigners at the time — was that gays should not be open about their homosexuality. Mr McVeigh denies that he violated this code and claims that the Navy discovered that he was gay only from reading his subscriber profile on the

Internet. The biographical profile, compiled voluntarily by subscribers to the dominant Internet service provider in the US, America Online (AOL) — may be viewed by other users.

Mr McVeigh says that he did compile a profile — in fact, he says, he compiled five of them, only one of which mentioned the word "gay".

In a US television interview

yesterday, he claimed that the Navy had obtained the information by calling AOL to verify his service record.

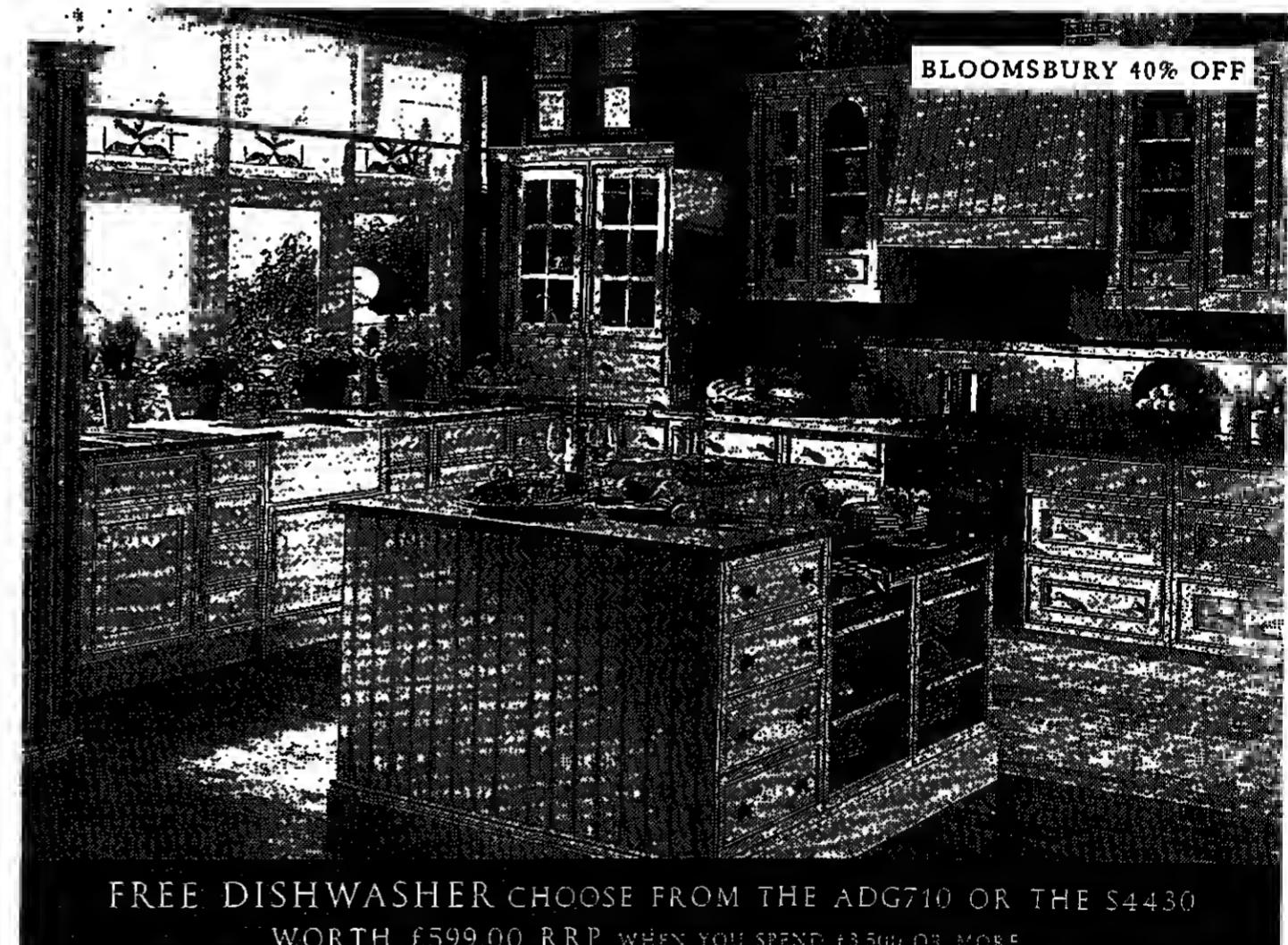
The investigator was referred to the biographical profile which contained the word "gay". The Navy will not confirm this, but has confirmed the reason for Mr McVeigh's discharge.

Mr McVeigh, who is considering legal action, is due to leave at the end of the week with an honourable discharge. This qualifies him for veteran's medical benefits and an involuntary severance payment, but no pension.

A Pentagon spokesman said that there were no plans to review Mr McVeigh's discharge.

— Mory Dejevsky, Washington

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Red Indian raider lights a fire under the Marlboro Man

American consumers are suckers for anything with "pure" on the label if they think it spells healthy. But would they really fall for the same trick with cigarettes? You bet, says David Usborne.

The Marlboro Man may be under siege in the courts and in Washington, but there is an unlikely bright spot for the beleaguered American tobacco industry. It is the growing market for so-called all-natural, no-additive cigarettes.

This unlikely path into the nation's lungs has been blazed by a fringe New Mexico brand called "Natural American Spirit". While puny in national sales terms, its chemical-free cigarettes have become *de rigueur* for the cool-conscious young, from models to members of the scruff-rock set.

Sold in soft-packs with American Indian imagery, including an Indian chief with feathered head-dress drawing on a pipe, "American Spirit" are burned by the likes of Hollywood star John Cusack and model-turned film actor, Mark Wahlberg. Sales have been growing at up to 95 per cent a year.

And now the big boys are taking notice. In a move that rattled the whole of the industry, R.J. Reynolds last year reinvented their Winston cigarettes by reducing their content to tobacco only (leaving aside the sodium-soaked paper). Philip Morris may soon follow suit.

Accompanying the new Winston has been an advertising campaign larger and more expensive than any previously

attempted by RJR. All the spots carry variations of the same basic message: real people prefer real cigarettes. "No Bull," the billboards scream. Other tag lines have included, "I get enough bull at work. I don't need to smoke it".

The bull, by the way, are the some 599 different cigarette additives that the manufacturers have recently been forced by the courts for the first time to make public. They range from flavourings like cinnamon, chocolate and liquorice to more noxious-sounding substances like ammonia and freon.

The early signs are that the ploy is working for R.J. Reynolds. After losing market-share con-

sistently over several years to Marlboro, Winston is gaining ground again. In the first quarter that the new Winstons were available, their market share rose from 5.4 to 5.8 per cent.

Unsurprisingly, foes of tobacco are alarmed. A coalition of health groups, including the Heart and Lung Association, has even petitioned the government to force Winston to drop its no-bull campaign.

"You do have to be concerned," commented Martin Feldman, a tobacco analyst at Smith Barney in New York that has been tracking the sales recovery of Winston. "The public has to be aware that this product is no healthier than an ordinary American blend cigarette with all the additives."

Feldman underlines that the statistics on mortality rates among smokers are no different between the UK and the US. And yet most smokers in Britain, if they are buying mainstream brands like Silk Cut, are already getting a Virginia blend more or less devoid of additives.

In fact, neither RJR nor American Spirit make explicit health claims about their all-to-tobacco cigarettes. But the public may still be being duped. A favourite retail outlet for American Spirit cigarettes, for instance, is health food chains whose very existence is premised on healthier consumption.

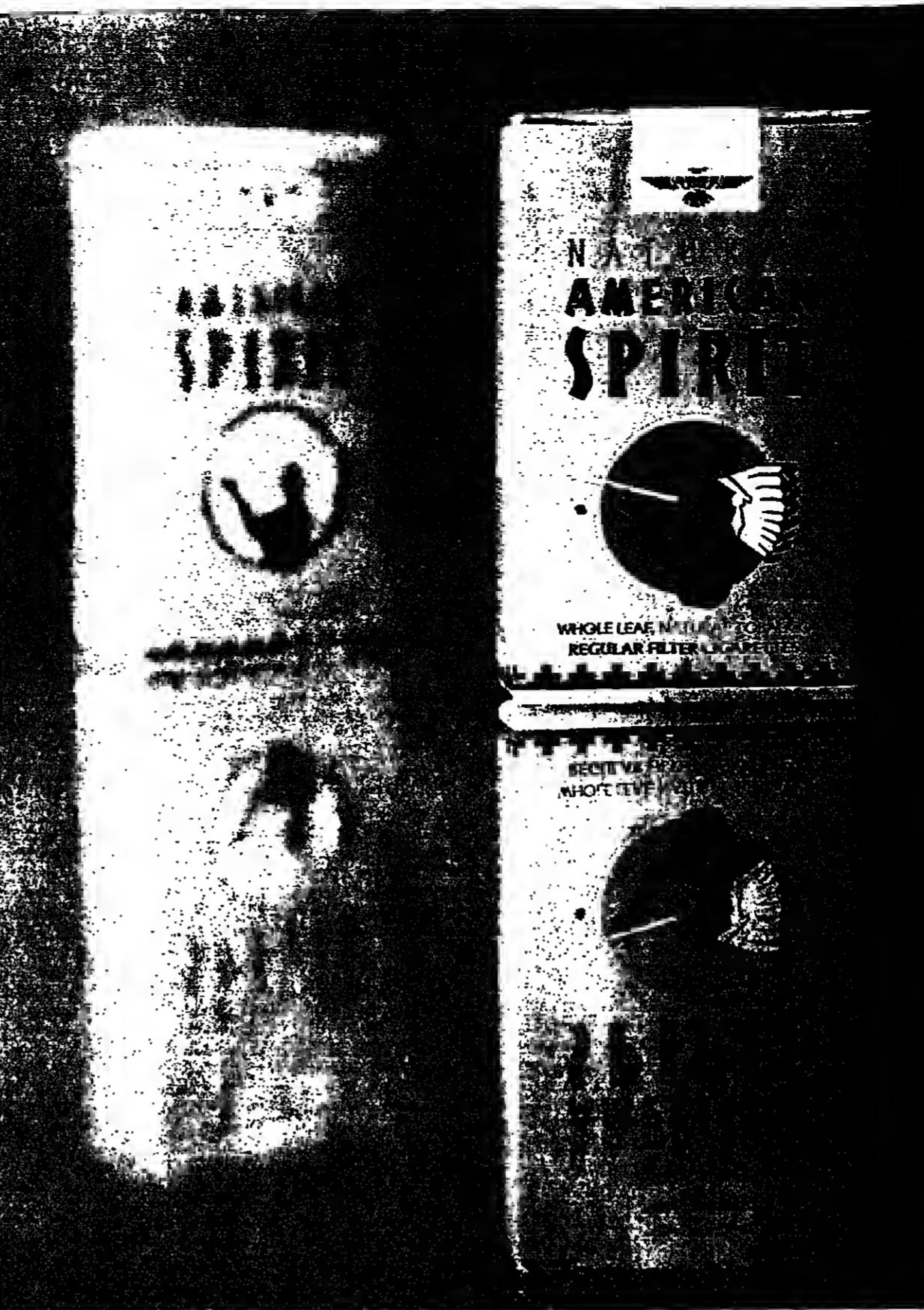
In Barclay-Rex, a swank tobacconist on New York's Lexington Avenue, a customer is pondering trying them for the first time. "Those other brands, they have all the chemicals and they just kill you slowly," offers Candido, the man behind the counter. He adds: "Of course, these will kill you slowly too, but anyway..." And the sale is made.

BUT HOW DO THEY TASTE?

On the pleasure-meter, the American Spirit regular filter cigarette does fine. This is a cigarette with a definite bouquet of, well, tobacco. Missing is the slight sweet tinge found at the tongue tip after a Marlboro regular. No liquorice or cocoa in this smoke.

The American Spirit burns a little differently. It may be fractionally harder to draw on than a Marlboro and leave it burning on the ashtray and the ash grows longer and longer without ever dropping off.

Does this smoke feel a rush of health-conscious righteousness from taking a smoke that advertises itself as all-natural? Not quite. So far there is no sign of my winter-long cough abating. — DU



Leader of the pack: American Spirit has forced bigger brands to rethink their marketing

Photograph: Justin Sutcliffe

Old habits die hard for young

When they look at their own domestic market, US cigarette manufacturers see bad news and good. Health advocates see good and bad.

Overall, the proportion of adult smokers in the US has fallen from 37.2 per cent in 1974 to 25.5 per cent in 1994. Children, by contrast, are smoking more and more.

According to the Campaign for Tobacco-free Kids, based in Washington, the incidence of smoking is rising among almost all groups of American children. Only African-American girls are smoking a little less.

Smoking among high school seniors, for example, is now at 36.9 per cent – a 19-year high. Since 1991, meanwhile, smoking has increased by 35 per cent among 13-year-old students and 43 per cent among 15-year-olds.

The picture is most striking for African-American boys. The numbers smoking in this group has increased from 14.1 per cent in 1991 to 27.8 per cent in 1995.

School-goers are not the ones smoking American Spirit. They overwhelmingly (about 86 per cent of child-smokers) prefer Marlboro, Camel or Newport – the brands that benefit from the heaviest advertising. Cigarette companies are spending some \$13m every day on promoting their brands.

In ethnic terms, the biggest smokers in the US are American Indians and Alaskan natives, where 36.2 per cent of adults are smokers.

Next are African-American adults, at 25.8 per cent. The death rate among American Indians from smoking-related diseases is twice that for Americans as a whole.

One note of comparison with Britain: while in 1988, 8 per cent of British children aged 11 to 15 smoked, the proportion today is 13 per cent.

INDEPENDENT COMPETITION YOUR CHANCE TO WIN A WORK OF ART

The Independent and The Independent on Sunday have joined forces with ART98, Britain's largest contemporary art exhibition, to offer readers the opportunity to win one of two works of art. To enter simply ring the number below leaving your answer to the question and completing the tie-breaker:

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Closing date: Midnight Sunday 18th January 1998

ART98 Britain's biggest contemporary art fair celebrates its tenth anniversary this year. On sale to the public will be works by young British artists including Damien Hirst, Jake and Dinos Chapman, Sarah Lucas and Mona Hatoum who were all featured in the notorious 'Sensation' exhibition at the Royal Academy last year. There will be over 80 leading galleries taking part and special features this year include 'Art98Futures', a selling exhibition of work by recent graduates as well as 'Who Owns Video', on commissioning, collecting and selling video art.

ART98 London Contemporary Art Fair, Business Design Centre, Islington Green, London N1 Tel: 0121 767 4818

Opening Hours: Wednesday 21-Sunday 25 January 1998, 10am-6.00pm Wed/Thurs, 10am-7pm Fri/Sat, 10am-4.30pm Sun. Ticket prices: £7.50, concessions £5.00 or £10.00 on the door

Karl Ghattas

Shiva Nataraja II
oil on canvas
73cm x 68cm
1997

Karl Ghattas

Karl Ghattas is a self-taught artist who has had enormous success since giving up a lucrative career as an Ear Nose and Throat surgeon ten years ago, and a position as a Philosophy lecturer at the London School of Economics eight years ago. He has had a one-man exhibition in London, New York and Paris. He is currently exhibiting at the Courtauld Institute in their biennial exhibition and his work is in private collections around the world. The Ferens Art Gallery in Hull, and the Metropolitan Museum in New York have recently acquired his work for their permanent collection. He is unique in his field, not because he is self-taught, but because of what he brings to the discipline, namely a surgeon's experience and awareness of the human anatomy, and the knowledge and ideas of a philosopher. Indeed, he must be the only artist in the world to have lectured at university level on art, philosophy and medicine.

The image of 'Shiva Nataraja' (as pictured here) concerns itself with the beginning of existence and the creation of desire. The composition is based on the dance of creation by the Hindu God, Shiva. In that dance, Shiva rhythmically beats out the creation of the world through a series of wave-like ripples, creating a world of desires.

'Shiva Nataraja' is depicted as an explosive force of concentric, rippling flame circles which emanate from the centre, creating the world and bringing existence into being.

Hirsch Contemporary Art

Jennifer Hirsch started Hirsch Contemporary Art four years ago out of a commitment to championing and encouraging young and emerging painters in what was an increasingly hostile anti-painting climate. Originally from New York, Jennifer comes from an established family of artists that includes one of New York's most prestigious and respected commercial galleries.

Instead of 10 to 12 monthly exhibitions, the gallery shows a community-driven range of work by artists in a democratic spirit. The relaxed, informal atmosphere of the gallery enables closer contact with artists as to how their paintings will look in a home environment.

Hirsch Contemporary Art also offers an art consulting service to its private clients, recommending work by galleries and auctioneers.

Suite 17, Sheffield Terrace, London W8 5NG, tel 0171 727 4401

Martyn Brewster

'Lowick 604'
monoprint
23" x 33" (image size)
35" x 35" (paper size)
1997

Martyn Brewster

'Lowick 604' is from a series of monoprints produced during a four week residency at Lowick in Cumbria. Martyn's work is generally influenced by nature and the landscape and this residency gives him the ideal opportunity to develop ideas whilst surrounded by the peace and beauty of Cumbria. Martyn's monoprints are like a painting on paper but produced by a printmaking technique, in his case, screen printing. He plays with colour directly onto the screen and often the brush or palette marks are visible. A monoprint is a unique print, i.e. there is no edition hence it is more similar to an original.

All the work is signed by the artist and the title and number is merely a reference.

Martyn Brewster was born in 1952 in Oxford and studied at St Albans College of Art and Brighton College of Art graduating in 1975.

Martyn has exhibited extensively in this country and abroad and since 1985 has exhibited exclusively with Jill George Gallery in London. He now lives and works in Dorset. In 1997 a book of Martyn's work from 1978 was published to coincide with a retrospective exhibition at the Russell Cotes Art Gallery and Museum in Bournemouth.

Martyn's next solo exhibition at Jill George is in June 1998. Since Martyn has been exhibiting exclusively with Jill George Gallery in London, he has had six highly successful solo shows of his originals as well as equally successful solo shows of his monoprints.

Martyn is an exceptionally talented artist who has already received much acclaim.

Jill George Gallery

The Gallery was established within the heart of London's West End in 1978 and moved to its present location in 1981. The Gallery changed its name to Jill George in 1991. Jill George joined the company in 1976, becoming director in 1980 and sole owner in 1986. The Gallery represents paintings, drawings, watercolours, monoprints and limited edition prints from the established artists to the recent graduate. There is an exhibition every three weeks and a selection of originals and prints is always available to continue the interest in young artists. There is an exhibition every eighteen months of recent graduates. Both abstract and figurative works are represented.

The Gallery organizes commissions on behalf of the artist and works closely with architects and interior designers etc. It provides the ancillary services from the selection to the installation.

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DILEMMA
My neig

VIRGINIA IRONSIDE
Kath is dreading the summer because an aggressive neighbour...
...says her radio loudly
...in the garden most
afternoons. Kath dare
not turn down the noise, and is
thinking of moving, yet
knows she is...
...the same problem may happen
wherever she is. What
problem is?

...she is.
...what may happen
...she is.

19/FEATURES



Tuck in:
Sally Ann Voak, left,
and
Professor
Anne de
Looy

Photograph:
Nicola Kurtz

Yesss! The diet for your wildest dreams

Diets are usually about self-mortification. Here's one that's an exercise in self-gratification and, says Clare Gower, it helps to like chocolate.

Two large, sickly desserts arrived at our table: one brandy snap basket containing malted ice cream, and a sticky toffee pudding topped with a dollop of vanilla ice cream. This in itself was cause for alarm – the two women opposite claimed to have discovered the secret of slimming – but yet more bizarre was that they were, apparently, on their starters.

Professor Anne de Looy and Sally Ann Voak, weighing in at a collective 17st 2lb, make an unlikely alliance. The former is Britain's first professor of dietetics at Queen Margaret College, in Edinburgh, and the latter is slimming editor for *The Sun*. But together they have devised "System S", a diet programme in which "S" stands for science, not starvation, self-denial or sorry you can't eat that Mars bar. Equally, it could stand for "sugary foods".

It is founded on the principle that we eat too much fat and not enough carbohydrate and the motto of System S is "carbo first" (taken to its logical limits, this means pud be-

fore main). Their argument goes that since there are limits to how much bread, pasta and rice we can consume in the West, we must up our complex carbohydrate intake with a simple one: sucrose. Consequently, cravings for fatty foods subside.

"As we are surrounded by sucrose-containing foods it makes sense to use them to our advantage," says the introduction to *System S: the scientific breakthrough for lasting weight loss*. The ensuing two pages of trademarked "Carbo Boosters" reads like a list of no-go areas.

Golden syrup, marshmallows, Arctic roll, liquorice allsorts, cola drinks or other sweet fizzy drinks, meringue nests, mini Mars bar, ice cream, After Eight Mints... without these items the diet just won't work. And don't forget your statutory daily glass of wine or beer – or sugary non-alcoholic drink if you prefer.

Any diet book which maintains "You can eat out and enjoy a delicious dessert, serve up lavish, tempting meals when entertaining friends and join in when the rest of the family tuck into sweet puddings" is bound to elicit an extreme response of approval or disgust.

Personally, I liked Anne and Sally before I'd even met them. Any diet which says I can "live a normal life while slimming" has potential and any

diet which says I must eat chocolate éclairs, I can live with.

"It's anti-intuitive and too good to be true," said Professor de Looy, tucking into her sticky toffee wafflet. "But we need our puddings." In these no-fat/no-fat days, such an affirmation goes against the grain, but I'm prepared to listen. Professor de Looy objects to modern usage of the word "diet". "Diet actually means the foods that you choose. Sally and I are not on slimming diets but we're choosing foods in the way of System S."

Professor de Looy and her team at the Centre for Nutrition and Food Research in the Department of Dietetics and Nutrition at Queen Margaret College, have given "System S" a gold star for nutrition. In 1996 they tried it out on 60 volunteers in a controlled 12-week study in the village of Fatsfield, Tyne and Wear.

As a control group, 30 of the volunteers followed a traditional healthy, low-calorie, low-fat, high carbohydrate diet plan which was devised in 1991 and has proved successful both for those who wish to lose weight and for those who want to maintain their weight loss.

It worked in the case of the chocolate factory workers who volunteered as guinea pigs. "They are given free sweets and chocolates every day. You can imagine the guilt and problems," said Ms Voak. "Once

they went on 'System S' they not only lost weight but they adopted it over Christmas, which is remarkable to me." Ms Voak and Professor de Looy insist their diet is not "faddish". It is, they say, a "lifestyle" – and not a bad one at that, I thought, as they ordered a bottle of Pinot Blanc D'Alsace. As for their second course, smoked salmon was out because it didn't contain carbohydrate, as was the mussels dish and the tomato, goat's cheese and wild rocket salad, for the same reason. The only dish which qualified was the leek and potato soup.

While Professor de Looy was big on the scientific validity of "System S", Ms Voak stressed the sensual. "The important thing is that you really enjoy the sensuality of food," she said, adding that she had enjoyed the "naughty phallic shape" of her pudding. "It's the next best think to sex – preferably two at the same time." The prodded perked up: "Oh Sally, what did you have in mind?" Another experiment, perhaps.

"System S" is based on that well-known law of desire. We all know that as soon as a food is labelled as forbidden it becomes infinitely more enticing and inviting. The problem lies in our perception of sugary foods as "treats". Ms Voak has a New Year's resolution never to write

another diet with "treats" in it.

But is that not precisely what she has just done with her concept of "Carbo Boosters"? "You've got to consciously work the right way before subconsciously," she replied, reaching for the right metaphor. "It's like when you practice breathing classes before having a baby. When it comes to the right time you will be able to do it naturally."

Susie Orbach, author of *Fat is a Feminist Issue*, applauded the diet's attempt to normalise our relationship with food.

"Of course any approach to food that doesn't categorise certain foods as good and bad per se would welcome, but the crucial issue is what interferes with our own methods of satisfaction and hunger and what are the psychological reasons why we turn to food."

"Unless we've questioned those we'll always be looking for the next scheme to avoid food or manage it, rather than living in a reasonable relationship with it. The real challenge is to figure out what we want when we go to bed. Is it After Eights or is it nothing?

I know which I want.

"Clare's is much more fun," commented a food-combining colleague, as I counted out my Jelly Tots (essential Carbo Booster, you understand) at my desk. Indeed it is. But, I ask myself, does it work?

If today is Sunday, then you must be my wife

Once upon a time marriage provided a certain blueprint for life together, and all you need do was abide by it. But newly-weds Conservative leader William Hague this week gave a new twist to nuptial vows, announcing on Talk Radio that he and his wife Ffion had scheduled an agenda of private time together: Sundays, an evening a week, and one whole weekend a month.

Leaving aside the questions this begs about modern relationships and work commitments, is that really enough "quality time" on which to base a lifelong union? My first reaction was that it isn't, but then I'm biased. Working from home while my husband Joff looks after the house and kids, we're used to seeing an awful lot of each other. Despite all the clichés about living in each other's pockets, absence making the heart grow fonder and needing to keep a certain spice in one's relationship, I think we're as happy together as we could be.

Well, yes, we do sometimes get on each other's nerves. Our relationship thrives on low-grade hickering, but that's often part of family life. The advantage we have over other, more time-strapped couples, is that things rarely fester. One rants and raves, the other takes the mick, and in five minutes it's forgotten. But maybe we're just weird.

Not so, says Geoff, a friend who has run a successful business at home with his wife for the last 14 years. "Working together has been the salvation of our relationship. A mutual interest provides a great bond and a hedgehog for family life, and we're very in tune with each other."

Certainly time together allows you to evolve a very intuitive way of dealing with each other, confirms Relate counsellor and agony aunt Julia Cole, and gives you more chance to discuss issues that are important to you. But she warns against meshing together so completely that you lose all sense of your own identity: "In extreme cases clinging together may indicate that you don't have much confidence in the relationship, and feel it is vulnerable."

Not that busy couples are doomed to divorce. Bernadette Manus, chair of the National Childbirth Trust, lecturer in marketing at Brighton University, and freelance consultant and trainer, only really sees her husband Ted, head of information for East Sussex health auth-



The Hagues opt for quality, not quantity

ity, on Sundays. But if anything, she thinks their 19-year relationship has improved.

"I have a greater sense of identity, and there's a much greater equality between us. We've become real partners and have a new respect for each other. It helps that we have a lot in common, but we don't hicker much; there's no time and we've got better things to think about."

It may seem dispiriting that modern couples need to schedule time together, but it's undoubtedly wise, says Cole: newly-weds are often taken over by the romantic idea that somehow their love will naturally take time for each other. Couples should ring-fence time together, but they also need to decide what they'll do if the office phones or an urgent fax comes. "The Hagues have made the first step, but they'll have to be quite careful about the quality of that time." And if babies arrive on the scene? Then what?

Emma Haughton

DILEMMAS

My neighbour is so noisy, I am thinking of moving house

VIRGINIA IRONSIDE

Kath is dreading the summer because an aggressive neighbour plays her radio loudly in the garden most afternoons. Kath dare not ask her to turn down the noise, and is thinking of moving, yet knows the same problem may happen wherever she is. What should she do?

I'm someone who, unless it's birdsong, just stand the noise of music in other people's gardens. Or, indeed, my own, unless it is firmly plugged into my ear. Gardens are for peace and quiet, not Radia 2. But there is absolutely no point in Kath's moving until she has screwed up her courage and at least asked her neighbour to turn her radio down when she's in the garden. Or, since she's got environmental law on her side, she need only get the signatures of a few neighbours and make a diary of times it plays to justify visits from an officer who may well be able to tell the neighbour to turn her radio off without involving Kath at all.

I've asked masses of people to turn their music down, and it's astonishing how many will do as you ask. They have no idea they're being a nuisance. It's important to address them face to face; a letter, however polite, looks aggressive to some people, who see it as "official" in some way.

But why Kath can't simply go round and ask her is beyond me. I know how scary it can be, but maybe she could get together with other non-aggressive neighbours and face this creature together. Each individual may be shivering like a little mouse as they stand on the doorstep, but five or six gathering politely to ask this lady to turn her radio down is not against the law, and yet can look as if they mean serious business – simply by their sheer numbers.

My last success was with an extremely aggressive drunk who had fallen into a stupor while playing his radio. As I said, "Excuse me!" very loudly and politely over the fence, I was astonished when an upstairs window in an adjoining house was flung up and, in the belting tones of

a fishwife, a complete stranger screamed: "Ov! You!" This woke up the drunken radio-player and before he knew where he was the poor man was trapped in the middle of a twipronged attack, one below from patient, rational old me who addressed the man with great formality and civility, producing lawyer-like reasons for turning the radio off, and one from above, a hysterical tirade of abuse. The finale came when he lurched up and yelled that I couldn't tell him to do anything, it was his garden and he could do what he liked. I replied that, until I could get the law enforced, which I had no intention of doing unless driven to it, as I wish to remain friends. I wasn't telling him, I was begging him. Whereupon the creature in the upstairs window shrieked down: "Can you hear what she's saying? She wants to be fucking friend! She's not fucking telling you, she's fucking begging you, you fuck-face!" Between us we silenced him for months until he was killed in a stabbing incident with a friend to whom he owed a tenner.

Perhaps Kath could enlist the help of someone with more nous than her, while she addresses the environmental health and legal arguments on the one hand, the other could express the emotional side of the issue in more vocal language, good policeman and bad policeman style.

A professor has recently claimed to invent a machine that, by sending out silent sound waves, can blow out the sound of neighbourhood radios. Until then, Kath has to send out her own personal sound waves – rawed conversation and calls to the environmental health office – to shut her neighbour up.

WHAT READERS SAY

Try asking her to stop

We have suffered from a similar plight involving a noisy neighbour who, during spring, summer and autumn for the past two years, has regularly opened the patio doors and turned on either music or a keep-fit video. This seems to create ideal acoustic conditions for the sound to bellow into our garden and adjoining property.

I suggest the following possibilities, which I and my partner have tried with varying success:

1. Use an intermediary: speak to the neighbour's partner or a mutual friend or acquaintance. The comments can be put in humorous terms – "change the channel", or "turn it down".

I have spoken to the neighbour's child (in desperation) one Saturday morning: "please ask if they can turn it down". It worked immediately.

2. Open your window and play *The Archers* full blast. Provides immediate relief – but you lose the moral high ground.

Gillian Atkins
Tetbury, Gloucestershire

Approach the authorities

I can sympathise a lot with Kath. I would advise her to keep a diary of disturbances when the noise again becomes a regular occurrence.

She should note the date, "tune out", a description of the noise and details of how it disturbs her. After two to three weeks she should review her diary and if she still feels aggrieved by the noise she should approach the Environmental Health officers, who investigate allegations of noise nuisance.

This may lead to the EHO serving a notice on the perpetrator of the noise under section 80 of the Environmental Protection Act 1990.

I note that Kath describes the perpetrator as "very aggressive" and she should warn the EHO of this. With any luck, if the neighbour is as bad as Kath says, she will already be known by the council for some reason. They may have received other complaints about noise, for example. (That would be lucky.)

If a notice is served, it will require the perpetrator to cease causing the nuisance. Contravention of the notice (which would have to be written) may result in a fine.

Difficulties with neighbours are often exacerbated by lack of contact. In our inner city neighbourhood people make it their business to try to make a connection with all the

folks living around them, so that problems have solutions. If people feel part of a larger community they are less likely to cause trouble in it.

Rather than moving away, try moving towards your neighbour and your neighbourhood. As you rightly point out, Kath could happen wherever you are. Good communication and kindness are often a basis from which day-to-day living issues within any community can be tackled and resolved.

Gillian Booth (Ms)
Bristol

Give her a Walkman

For less than £30 Kath could buy a Walkman with radio. She could then send it anonymously to her noisy neighbour under the pretext that the latter has been fortunate enough to win it in an obscure, random prize draw. With any luck Kath's neighbour will use the Walkman instead of her normal radio and peace will reign at last. Cheaper than moving house, and no messy, stressful confrontation involved.

Kay Proulx
Newtown, Powys

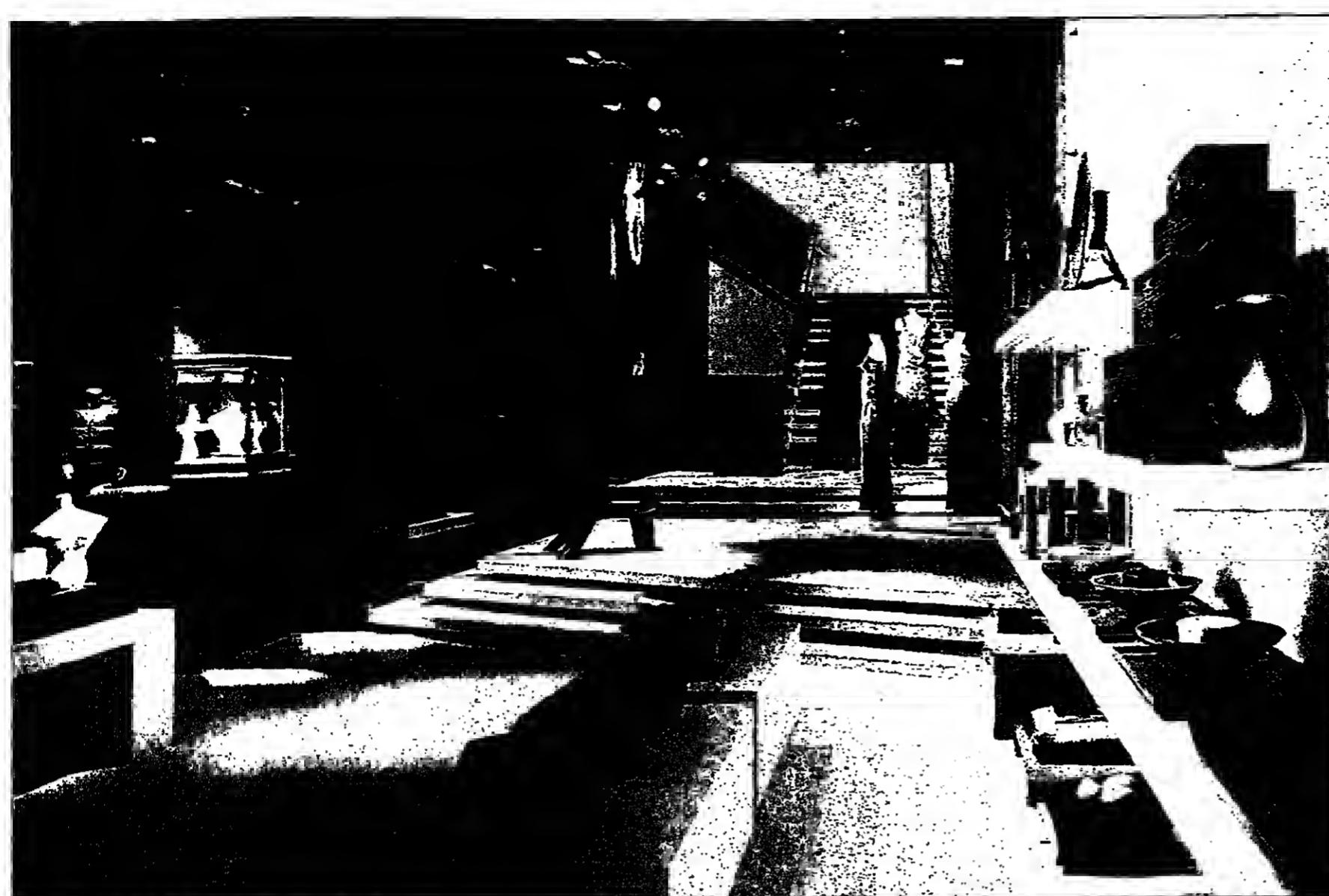
NEXT WEEK'S DILEMMA

After a really terrible Christmas together, my husband and I have decided to divorce. However, we both have concern for our children, aged four and five. My husband has suggested that

Letters are welcome, and everyone who has a suggestion quoted will be sent a bouquet from Interflora.

Send your comments and suggestions to me at the Features Department, 'The Independent'. *1 Canada Square, Canary Wharf, London E14 5DL (fax: 0171-293 2182), by Tuesday morning.*

And if you have a dilemma of your own that you would like to share, please let me know.



Fashion statements: above left, shop-till-you-drop glamour in the Donna Karan shop; even the chunky Portland stone surfaces look slinky. Streetwise DKNY, above right, brings skyscraper heights, bathed in light, to staid Bond Street

Donna Karan wanted someone to make her look good

One of the world's most prestigious fashion design awards has been given not to a fashion designer but to an architect.
Makes sense, says Nonie Niesewand.

First shrills. Then holistic healers and personal trainers. Now architects are the indispensable designer accessory for intensely competitive fashion designers. By getting an architect to design their shops they give themselves the edge world-wide. Shops are no longer fitted. They are kitted out with a made-to-measure look by an equally famous household name of an architect who wears their label (at least, to pick up the brief).

It's as congested with architectural makeovers as the Monopoly Board before hotels replace the houses. Yet three more fashion stores will open in New Bond Street this year, all of them planned by American architects. In February, Vuitton gets a facelift from the ubiquitous Mr Marino; in the autumn, Gucci will strut its new stuff from Bill Sofield and in November frosty old tattered-out Ralph Lauren will move into the massive 45,000 square feet flagship HQ at Number one New Bond Street where the Nat West used to stand. Claiming that "there's an incredible energy in London right now which makes it such a natural place to create our largest international store", Ralph Lauren announced that he will be importing into energetic old London an American ar-

chitect for the project, Thierry Despont. Like all shopping dramas, the movement began in America. Peter Marino, the internationally acclaimed architect, was the catalyst. He has designed stores for Valentino, Christian Dior, Giorgio Armani, Louis Vuitton, Calvin Klein, Yves Saint Laurent, Fendi and Donna Karan. At the end of last year, he was awarded the Masters of Design award from the Fashion Group International at the 14th annual presentation, together with citations for John Galliano of Dior and Karl Lagerfeld of Chanel. It's the first time fashion has given the award to an architect.

To work for so many egos, architect Peter Marino has become adept at spotting their idiosyncratic style. He is a genius at conveying in hard materials glamour, tech-no-chic, sexiness and snob appeal. All in concrete and stone, marble and glass, steel and gilt. Marino himself hates style labels and describes his architecture as being about materials and textures, touch and colour. From his days in the Factory with Andy Warhol making cult movies and changing the wallpaper, he set up his design practice in 1978 for what his FGJ fashion citation calls "a coterie of international trend-setters and taste arbiters". He employs 80 architects and 20 designers in five offices, including one in London. When he's not designing the new Barneys stores in New York, LA, Chicago and Tokyo, he's restoring historic landmark buildings such as St Patrick's Cathedral or the New York public library.

When Donna Karan launched DKNY's

own shop in London, it was Peter Marino who placed a chunk of New York precinct straight into the very traditional New Bond Street. His aim was to bring a kind of energy, a feeling of freedom and being on the move into that claustrophobic line up of stops. The only thing between the broadwalk and the back of the shop, with its backlit display of yellow NY cabs, is glass. Its tall narrow glass-fronted facade stretches four storeys tall under a roller coaster glass roof. So the shop is bathed in daylight and, by night, a silvery white light. The new kid on the block is very American with stacked screens beaming out American TV. There's a selzer-style bar for espresso drinkers, and enough free floorspace to roller-blade around.

On the other side of New Bond Street is his King Midas approach in Portland stone with a solid gold wall from atrium to basement as a backdrop to the Donna Karan collections. You would never know that the same architect had designed the two stores. It's the difference between haute couture and ready-to-wear.

The skill is to interpret the look and keep evolving. Those temples to consumerism in marble and glass under lofty coffered ceilings are now considered very Eighties. Just as the Constance Spry flowers and Colefax & Fowler chintzes with which Sir Hardy Amies decorated his shop so long ago was considered classic Fifties. The new look for shop design is more energetic, less precious, certainly plainly tailored and having an intrinsic quality in the materials. Peter Marino goes so far as to call it "touche feely".

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Is this a cinema that I see before me?

Get thee to a lottery!
They've built a new
picture house in
Stratford-upon-Avon. It
is beautiful, but we may
not see its like again,
says Nonie Niesewand.



Not your average Odeon: the terrace bar at the Stratford Picture House

When French TV sent a team to film British architectural *grands projets* just before Christmas they must have been astonished to be shown this version of the Cinema Paraiso in Stratford-upon-Avon. The French crew had been poised to zone in on the Dome, Somerset House and such. But President of RIBA, David Rock, who is on the Arts Council to appraise all the schemes coming in for funding, insists that this make-over and extension of a twenties garage by the London-based architects Pantzer Hudspith is a good example of what it's all about.

"I got it across to them that in England the *grand projet* is lottery funding spread about in lots of little bits all over the UK. It is the people's money; many small projects makes a great difference to society."

Locals with backing from Councillor Cyril Dennis petitioned for a downtown cinema - the only one in Stratford closed years ago. Donations kicked off with £25. Once City Screens took over the project it got Arts Council funding of

£690,000 for the building, which cost just under a million. It took two years from summer 1995.

By supporting the projection room from the side walls of the cinema rather than the zinc roof they avoided fire protecting the whole roof and saved money. Lousy access, from the back door only, was overcome by turning the courtyard into parking for the disabled and putting the foyer on the first floor, reached by stairs with walking stick stair-rails and a talking lift, its Portuguese accent denoting its country of origin.

The bar at roof level opens out onto a terrace. Fine details, from the crazy modern chandeliers, metalwork fish door handles on the children's lavatories, to a well-designed kiosk

for popcorn and peanuts, is testimony to the architects' policy of trying everything out in their own practice first.

As one of the first Arts Council lottery-funded buildings to be completed it may be a benchmark. The good thing about the lottery spreading money around the country and maintaining small firms of builders and architects and engineers and surveyors is that it has produced buildings for the community that go beyond the bare minimum.

The bad news for architects is the lottery cut-back. The Government White Paper which comes before Parliament this month proposes to reallocate some of the money from the lottery into different new bodies which will administer it. Arts, Heritage, Sport, Millennium and Charities will all lose one fifth of their lottery money when a sixth, the New Opportunities fund, channels money into schools and hospitals.

This sounds great but it could be used to fund teachers learning IT and to set up fitness clubs around the country. "The effect on building will be greater than the Government would have you believe," says David Rock.

How do they do that? An exhibition about the making of the Stratford-upon-Avon Picture House, at RIBA, 66 Portland Place, London W1, until February 8.

Make it safe, but a menu means choice



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Letters may be edited for length and clarity.

Welfare victims

Sir: The Prime Minister is right to pursue a radical overhaul of our welfare provisions (reports, 14 January). I was a member of the Social Justice Commission whose report began the process of fresh thinking. The Government needs to be supported in tackling this task.

Far too many people have for too long been locked in dependency of state benefits. The debilitating effect this can have on the dignity of both the adults and children caught in this system is manifest to all who have to deal with the bizarre world of the present benefits culture. The central and sole aim of all reform must be to improve the quality of life of the individuals and families dependent on the current arrangements by releasing them from this bondage. All other conditions, including financial ones coming from the Treasury, must be subsidiary.

The damage done to generations by the present system cannot be undone overnight. Recovering people's self-worth and confidence in their ability to contribute to their families, to the community and at work requires investment of resources and skill. Above all it requires a change of culture.

If the Government can make significant steps towards this end it will, in terms fitted for the 21st century, have made sense of the principles set out by William Beveridge. It was he who saw welfare as enabling people to return to work. It is in the interests of the whole community that the Prime Minister succeeds.

The Right Rev JOHN GLADWIN
Bishop of Guildford

Sir: The only welfare reforms that will "work" are those based on the deep sense of fairness God has implanted in each human being made in his image. We all know we are born with very different "life chances". The main reason that our political leaders have got to where they are is because they inherited, through no merit of their own, natures and cultures which have ensured rich pickings for them from the educational, cultural and employment cake. It is nonsense to suppose that they have "earned" their success. Let's stop pretending that if only we all tried a little harder we could all make it in the way they have. Those of us who happen to

In the risk society, the consumer's best friend is her common sense, bolstered by as much relevant information as package labels and restaurant menus can bear about the provenance and handling of the food we buy. No purchase will be entirely safe. Consumers can never be absolved from their responsibility to make up their own minds about cuts of meat, allergenic properties, carcinogens, fat or about the cleanliness and reliability of the cafés and restaurants they patronise. Government - now to take the form of a specialist Food Safety Agency - ought to be an enhancer of choice. Prohibition is easy - but unacceptable and probably unworkable. More difficult is to oversee the food chain in such a way as to allow informed choice to be made in kitchen and restaurant about what to eat and how.

During its nine months in office Labour has been charged with nannyism. The complaint was loudly articulated when Mr Cunningham banned beef on the bone. In fact

that decision was justified - pending further elucidation of the link between BSE and analogous human disease. But the Government should look to this new agency as a means of dispelling its Cromwellian, interfering reputation: its task ought not to be the regulation of consumers but the enforcement of standards on the food producing and processing industries in order to support maximum freedom of choice.

The new agency has allies. Local authority environmental health officers do sterling work, often on tight budgets; they are the front-line troops in the struggle to keep restaurants up to scratch. It is up to the public to chivvy their local councillors to spend enough to keep this vital service going. Sainsbury and Tesco and the other big food retailers, themselves agents of change and choice in what we eat, exist in a highly competitive market: food safety is in their interest, provided consumers are alert and prepared to vote with

their feet. The Food Safety Agency will work best as an impresario, with the public as its principal actors. Only if we all become more vigilant about our health, more prepared to monitor episodes of food poisoning and investigate their causes will standards rise. Take restaurant meals, in their increasing number such an impressive index of our increasing affluence. How often do consumers even ask to be allowed to inspect a restaurant's kitchens - the very prospect would call some cooks smartly to attention. Butchery need not be the last time we peeped behind the plastic curtain at the supermarket?

In this perspective the exact nature of the agency as a public body is probably less important than its philosophy as a collaborator with the public in ensuring high standards of food preparation and presentation. In the risk society, we often show a dismaying tendency to try to slough off the management of risks on

others, especially government and the courts. The Food Safety Agency cannot operate alone. How it is administered does of course matter. It would be helpful, yesterday, if the announcement of its birth had featured health secretary as prominently as agriculture minister Jack Cunningham did not entirely explain how this agency will avoid the perils of departmentalism, able to present its own reports to ministers yes, but still dependent on the Ministry of Agriculture, Fisheries and Food for its annual budget and personnel.

That is important because the creation of the agency ought to be only a part of Labour's policy for food. A major element in that is doing less to achieve more. Like paying less in subsidies for the production of foodstuffs for which no market exists. This spring the British presidency of the European Union ought to be an occasion for loud and insistent criticism of the Common Agricultural Policy, that blight on the European landscape. Everyone knows

the expansion of the EU is fatally compromised by failure to end the CAP; that the EU's budget is impossible as long as it exists. Britain should say that abroad.

At home, this Government should tell farmers the days of production management are over. Instead of worrying about agriculture as an industry - what, presumably, Maff exists to do - the Government should concern itself with the rural environment, in the broadest sense. There are cultures, human as well as plant and animal, which deserve protection. But the means is not blanket subsidies.

How farms are run ought to be less and less the object of state attention. The role of government - and the Food Safety Agency could be an effective instrument - is to erect a series of checkpoints and monitoring stations along the chain, insisting on the highest standards at every point. What, at the end of the process, the consumer chooses to do must be left as free as possible.

LETTERS

THE JAPANESE CONTRIBUTION TO THE MILLENNIUM DOME CAUSES A STIR.....

WE'RE VERY, VERY SORRY.
WE DON'T KNOW WHAT
CAME OVER US. WE ALL
MAKE MISTAKES. YOU KNOW
HOW IT IS. AH WELL, NEVER
MIND. NO AMOUNT OF MONEY
CAN COMPENSATE FOR OUR
BEHAVIOUR — AND THAT'S
WHAT WE'RE OFFERING...NO
AMOUNT OF MONEY. HA! HA!
JUST A LITTLE JOKE THERE
TO SHOW WE HAVE SENSE
OF HUMOUR...

THE
Vi
TUAL
APOLOGY

Islands of peace

Sir: The British Archipelago has been waiting 2,000 years for an institution to balance competing national and regional interests. What better way to celebrate the millennium than the Council of the Isles ("Ireland: there is a solution", 13 January)?

But the project must involve wider regional interests through links to English devolution. I can think of no reason why the new mayor of London should not sit on the council to represent the London Irish, but we can also look to more exciting issues when the council looks at wider issues than the Irish question. What about a place for the Manx government to discuss pollution in the Irish sea? What if, say, Stirling, Sunderland and Sligo compete for investment in a new semi-conductor plant?

The difficulties will be tremendous but the opportunities limitless.

JON SUTCLIFFE
London SW16

Sir: The proposed Council of the Isles needs a site, and where better than that most Irish of English cities, Liverpool? It is mid-way between Dublin, Belfast, Edinburgh, Cardiff and London and has largely overcome its sectarian past.

DAVID JOHNSTON
Leeds

On the road

Sir: Older drivers contribute to a very small fraction of deaths from road crashes. It was with concern that I read your report (10 January) of a call from the Royal Society for the Prevention of Accidents for regular health checks on older drivers.

Driving is of great importance to older people. Loneliness, lower life satisfaction and lower activity levels are linked with the loss of driving ability among elderly people. However, much policy on older drivers is negative, concentrating on selecting those who should not drive

ve rather than rehabilitating and enabling those with age-related disability to continue driving.

Medical screening is a reflection of these negative policies. Not only do we lack reliable and sensitive assessment tools, but screening may also be harmful to older drivers. In Finland there is regular age-related medical certification of fitness to drive. There is no reduction in the number of older people dying in car crashes but an increase in the number of those dying as pedestrians and cyclists.

Dr DESMOND O'NEILL
*Centre for Mobility
Enhancement
Meath Hospital
Dublin*

Sir: You quote the recommendation of RoSPA that doctors check older drivers more carefully. The real issue is not one of age, but of competence. The huge cost, financial and emotional, of road accidents should be addressed by a government measure requiring all drivers

to task over my suggestion (8 January) that vehicles capable of zero emissions will reduce congestion. The reasoning is that when such vehicles are on stream it will be feasible for towns and cities to exclude all but zero-emission vehicles from their centres.

This could happen now, but with city centres in a fight to the finish with out-of-town megacentres, a zero-emission policy could be a step too far.

PROFESSOR PETER F SMITH
*Chairman, Environment and Planning Committee
Royal Institute of British Architects
London W1*

Laptop dunces

Sir: Thousands of executives use laptops every day by typing on the keyboard. It is a dismal reflection on the IT skills of politicians that the new ministerial red-laptops (report, 13 January) are voice operated.

PAUL WALTER
Newbury, Berkshire

Islamic perspectives

Sir: Randhir Singh Bains (letter, 12 January) expresses doubts about our ability to deliver the national curriculum in the two newly state-funded Muslim schools. We "cannot be serious" about "integrating the Islamic ethos into the [curriculum]," he claims, and he's right. Such a move would be difficult and not altogether desirable.

What we will and can do, however, is to deliver the national curriculum from within the Islamic ethos and perspective of the schools. This will ensure that the education on offer will be broad, balanced and Islamic. What your correspondent calls "a narrow Islamic education" is a contradiction in terms.

IBRAHIM HEWITT
*Development Officer
Association of Muslim Schools of United Kingdom and Eire
Leicester*

Sir: Algeria is only an extreme case of the troubles caused by the Western policy of preferring dictatorships to democratically elected Islamic governments. For the sake of world peace, sooner or later countries with Muslim majorities must be allowed to choose their rulers freely.

There is no reason for an Islamically inspired government to be xenophobic like that of Iran, nor medieval like that of Afghanistan. Islam is a great and varied civilisation, with many precedents on which to draw. There are eight major versions of Sharia law, each of them including many enlightened rulings. There is even a basis for democracy, for the Kharjites were advocating universal suffrage soon after the death of the Prophet and long before the idea resurfaced in Europe.

P.J. STEWART
Oxford

James and witches

Sir: Don Howe (letter, 8 January) cites James I as a witch-hunter. He was the author of a book on demonology and took an active part in the notorious case of 1591. However, in 1605 he personally examined Anne Gunter, who had claimed that she was suffering from demonic possession. Eventually she confessed she had faked everything. James revised his ideas on witches and no longer encouraged their persecution.

ALAN FORGAN
Guildford, Surrey

That

RUPERT CORKER
Cookham, Berks

There was an early victory for the plaintiff and the judge handed over a fiver



MILES
KINGTON

A most extraordinary case is going on in the High Court, which has been brought by a newspaper reader against his newspaper. If the reader wins the case, it could cost the newspaper millions of pounds. The reader claims, simply, that the newspaper is no longer a newspaper in any meaningful meaning of the word, and should cease passing itself off as such. You will get some flavour of the trial with this extract from Monday's proceedings ...

Counsel: Your name is Higgs?
Higgs: It is.
Counsel: And what is your first name, Mr Higgs?
Higgs: Higgs has always been my name. There was never any other name which I had before

It always has been and still is my first name.
Counsel: No, I don't mean first name in that sense. I mean, in the sense of a first name being a Christian name. What is your Christian name?
Higgs: There is nothing unChristian about the name Higgs, I hope.
Counsel: No, I suppose not. In that case, what is your forename?
Higgs: George.
Counsel: So your name is George Higgs?
Higgs: Partly.
Counsel: How can your name be partly George Higgs?
Higgs: Because there is more of it that you have left out.
Counsel: You mean - your full

name is longer than that?
Higgs: Appreciably.
Counsel: So, what is your full name?
Higgs: My full name is George B. R. Higgs.
Counsel: What does the B stand for?
Higgs: I'd ... I'd rather not say.
Counsel: Why not?
Higgs: Because you might laugh.
Counsel: Mr Higgs, there is no danger of that. This is a very serious court of law.
Higgs: I'd ... I'd rather not say.
Counsel: Come, come, Mr Higgs. By the time you were named (He roars with laughter again.)
Higgs: My Lord, is he allowed to laugh at my answers?
Judge: Only if they are funny.

If laughter were not allowed in court, who would ever laugh at my jokes?
Counsel: That's very good, my Lord! Nice one!
(He roars with laughter again.)
Judge: That wasn't a joke, you fool. Now get on with it.
Counsel: Very good, my Lord. Now, Mr Higgs, are you seriously asking the court to believe that the B in your initials stands for Brenda?
Higgs: Yes. I was given a girl's name among others because my parents hoped I would be a girl.
Counsel: Come, come, Mr Higgs. By the time you were named you had been born and they must have known your gender.
Higgs: Ah, but they never gave up hope. They wanted a girl

very hardly. They thought that one day I might grow up to want to change sex, and have an operation, and become a woman, and then they would have a girl after all. Called Brenda.
Counsel: I see. What does the R stand for?
Higgs: I'd rather not say.
Counsel: Ah! Another girl's name, is it?
Higgs: No.
Counsel: Boy's name, then?
Higgs: No.
Counsel: Come, Mr Higgs! It must be one or the other!
Higgs: Not necessarily.
Judge: Mr Higgs, I have presided over many many trials, and seen many witnesses, plaintiffs and defendants give their names, but I have never

Higgs: Thank you, my Lord.
Counsel: Now, Mr George Brenda R. Higgs, is it your contention that the *Daily Post*, which styles itself a national newspaper, in fact is such thing. Am I correct?
Higgs: Indeed. Most of its contents is not news, and what little there is is inaccurate. If the *Daily Post* took as much trouble over investigating anything as you have showed merely in checking my name, then I would have a little more faith in it.

Well, I'm afraid we joined the trial a little early to get any of the full meal, so I think we'll have another extract tomorrow from this fascinating test case.

Halifax raises stakes in savings war with the telephone banks

The war among Britain's retail banks will intensify tomorrow when Halifax hits back against its rivals with an account offering some of the highest savings rates yet.

Andrew Verity and Leo Paterson report on the ferocious battle among lenders sparked by the arrival of telephone and supermarket banks.

Halifax will fire a shot across the bows of the telebanks which are enjoying an unexpected flood of customers rushing to get interest rates of more than 7 per cent before tax.

The bank, formerly the country's largest building society, will offer interest of up to 7.85 per cent - where £40,000 or more is invested. Savers who put in over £10,000 will receive 7.3 per cent before tax.

The move comes amid increasing evidence that telebanks - banks with no branches that offer telephone service and high rates of interest - are winning a significant chunk of the UK's £500bn savings market.

The spread of telebanks has put the entire banking sector under pressure to bang on to deposits. But traditional banks and building societies have been gun to despair as retail banking becomes much less profitable.

Woolwich will soon follow Halifax in launching a high-interest telephone deposit account. Standard Life Bank has received 25,000 inquiries and opened 10,900 new accounts in the 10 days since it launched on 5 January, taking deposits of £73m. Tesco's banking arm, which opened just over a year ago, has 400,000 customers. Virgin Direct's "one-stop shop" banking and mortgage account, Virgin One, will also open to the public tomorrow, with 10,000 new customers set to join.

Mike Ellis, banking and savings director at Halifax, said: "We know that a growing number of customers like the convenience of having an account they can operate from their armchair and which will also reward them with competitive interest rates. This new savings account is a first for the Halifax as it pro-

vides the immediacy and convenience of 24-hour access."

The new telebanks were yesterday quick to attack the account. A minimum deposit of £10,000 would also rule out many customers. Further, customers can only withdraw funds twice a year, and only to a Halifax account.

Meanwhile, savers with Halifax's normal, branch-based Liquid Gold account receive 4.3 per cent on £10,000, falling to rates as low as 0.5 per cent on £1 deposits. A spokesman for Tesco's bank said: "They are really competing for large deposits such as City bonuses."

Unlike traditional financial players, these new competitors do not have expensive branch networks. Their low overheads allow them to offer far better deals than better established rivals and still make profits.

Philip Langguth, a analyst specialising in bank issues at Mitchell Madison Group, a business consultancy, said: "The Halifax move doesn't surprise me at all. If you look at the percentage of banked households in the UK, the only real way of attracting new business is to either play the pricing game or to work existing accounts more. It's another case of value going to the customer."

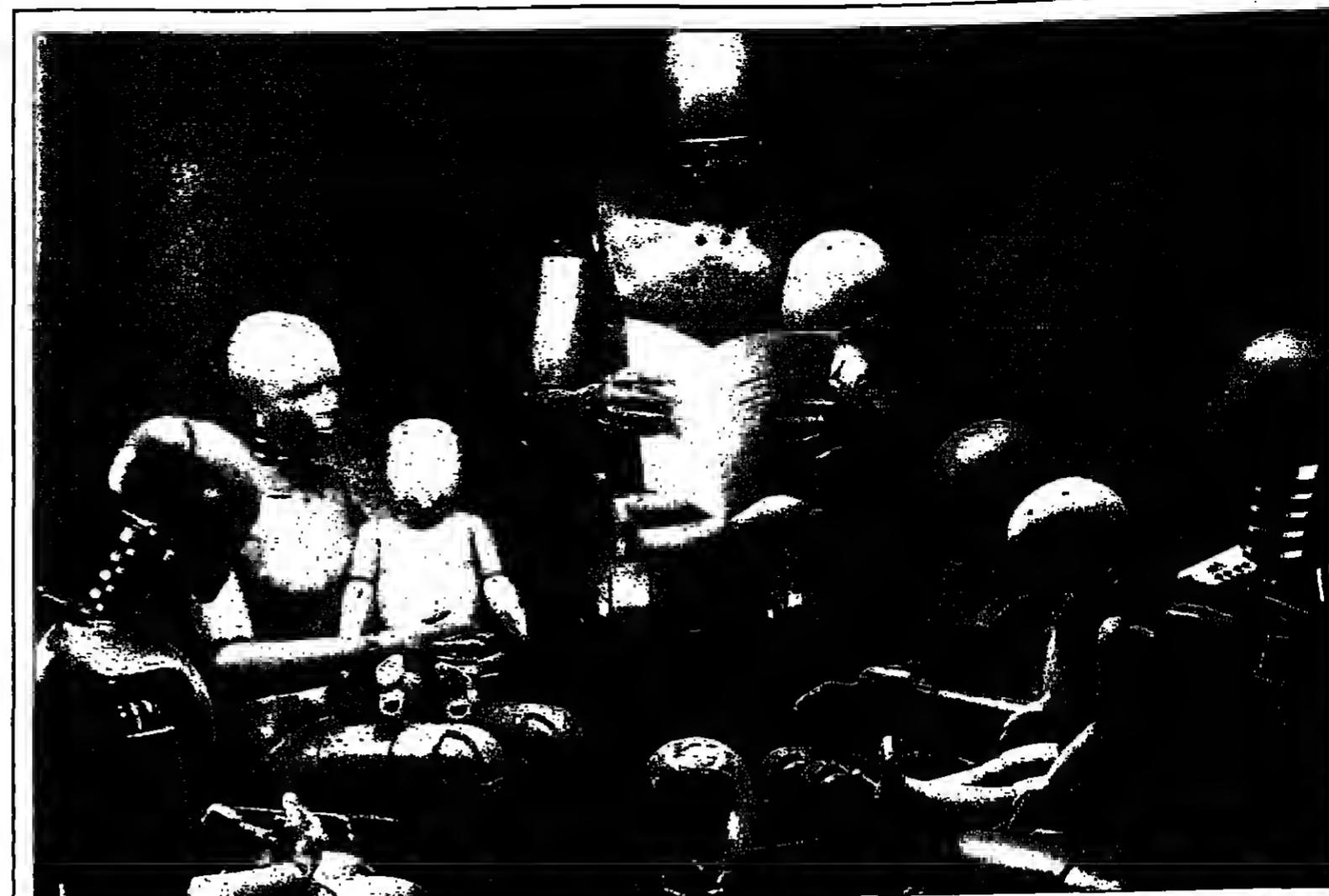
"Playing the deposit rate game on its own is unlikely to be successful," added Mr Langguth, who believes banks need to offer "a totally new concept" in order to persuade customers to switch from their existing accounts. "This is precisely what Virgin One is trying to do."

The UK's total market in personal savings is £508bn, £319bn of which is held in banks and £127bn in building societies. A further £62bn goes to National Savings.

Banks and building societies have been put on guard. They have been told about us and asked to stop more money coming out," Mr Spowart said.

Martin Campbell, product manager at Virgin Direct, criticised Halifax's reliance on numerous different accounts. "From the number of Halifax customers who have contacted us, I'm sure they must be feeling the crunch. The mistake I think they are making is to try to use all the separate old jars as a way to compete. They are still trying to fight the war with out-of-date weaponry."

Traditional banks still cover most of their costs by offering lower interest to savers than they charge to borrowers. Margins are now being squeezed



Growing demand for crash-test dummies because of European Union support for a programme which tests all new models of car in different types of accident helped First Technology achieve a 29 per cent increase in profits for its latest interim period

Investment column, page 26

Soros warns of Asian 'wildfire' as markets rally

Asia's battered financial markets started their slow journey along the road to recovery yesterday as hopes grew that the International Monetary Fund (IMF) would not suspend its £43bn aid package to Indonesia. The only fly in the ointment was a grim warning by George Soros, the financier, that the crisis could spread outside Asia.

George Soros, the billionaire investor who last year criticised the way South-east Asian governments ran their economies, yesterday warned that the region's financial crisis was a "wildfire that has not yet been tamed".

"Developments in Asia have the power to destroy the system of world trade," he said, adding that a spill-over of the crisis to China and Latin America could not be ruled out.

Mr Soros, in an interview with a German newspaper, said the crisis showed there was a need for tighter regulation of the provision of credit.

His warning did little to dampen sentiments in the region as shares and currencies rallied for a second day on optimism that the financial crisis might be bottoming out. Indonesian markets led the gains, with the stock index surging as much as 9 per cent and the currency strengthening 16 per cent.

Meetings between President Suharto, a US presidential envoy and IMF officials allayed concern that the IMF might suspend more than \$43bn of aid to encourage the government to cut spending and deregulate the economy.

Michel Camdessus, the IMF's managing director, said it would seek a "dramatic acceleration" of reforms in Indonesia, raising hopes for a more stringent timetable to restore confidence in the economy. He is drafting a new letter of intent on reform to be signed in Jakarta, after increased spending in Indonesia's budget last week sparked concerns that the country was not serious about reform.

Markets that slumped on Monday extended their rally after gains in US stocks on Tuesday night. Tokyo's benchmark Nikkei 225 index rallied 2 per cent, Hong Kong's benchmark stock index rose 5 per cent, Singapore's jumped more than 7 per cent and Malaysia's gained almost 8 per cent.

Meanwhile, a confidential study by the IMF acknowledged that an important element of its rescue strategy for Indonesia backfired, causing a bank panic that helped set off financial market declines in much of Asia, according to a report in the *New York Times*.

Markets that slumped on Monday extended their rally after gains in US stocks on Tuesday night. Tokyo's benchmark Nikkei 225 index rallied

Inflation fears rekindled as dole queues hit 17-year low

With new figures showing earnings growth picking up unemployment fell further, the Government issued a plea yesterday for pay restraint. The signs that the tight jobs market is fuelling wage inflation revived concern about interest rates. Diane Coyle, Economics Editor, reports on the Bank of England's dilemma.

ONS said unemployment was falling, and employment rising, at a monthly pace of 20,000 to 45,000, more than its previous "over-cautious" estimate.

The fall in the quarterly labour force survey measure, seen as the most reliable indicator, was the biggest since the survey began in 1984.

The survey also showed a big rise in employment in the latest quarter, up by 117,000, almost all full-time jobs.

Full-time employment returned to its highest level in more than six years. Part-time employment, unchanged during the quarter, remained at a record level.

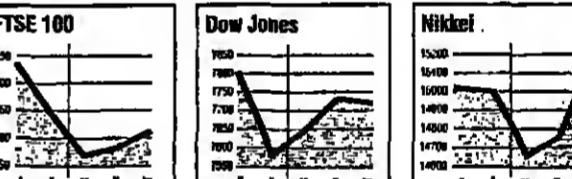
City commentators were more concerned about the upward creep in underlying average earnings. The November figure, based on an estimate of high bonuses in December as well, has matched the bonus-related spike seen last year.

However, if earnings growth did not retreat after another month or so, analysts said the Bank would have to raise interest rates. The balance of views in the City, which had tilted away from expecting an increase after signs of weakness in industry earlier in the week, tilted back the other way yesterday.

The minutes of the MPC's December meeting noted the members' sensitivity to accelerating pay. "Concerns about skill shortages persisted, and the [Bank's] Agents reported concerns around the country of emerging wage pressures."

However, yesterday's hatch of statistics pointed firmly to a very upbeat jobs picture. The

STOCK MARKETS



Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5106.90	23.00	0.45	5367.30	4106.40	3.50
FTSE 250	4823.30	6.60	0.14	4963.80	4384.20	3.20
FTSE 350	2461.00	9.60	0.39	2570.50	2043.60	3.45
FTSE All Share	2064.42	9.48	0.40	2057.68	2040.16	3.43
FTSE SmallCap	2350.10	10.00	0.43	2407.40	2182.10	3.05
FTSE Pensions	1277.00	4.90	0.39	1346.50	1225.20	3.30
Dow Jones	7271.41	-9.72	-0.13	8299.03	6356.78	1.77
DAX	1521.98	366.04	2.48	2097.79	14488.21	1.07
Nikkei	1622.55	506.55	5.61	16820.31	7909.13	4.60
Hang Seng	4190.08	30.68	0.74	4459.89	2947.31	1.76

INTEREST RATES

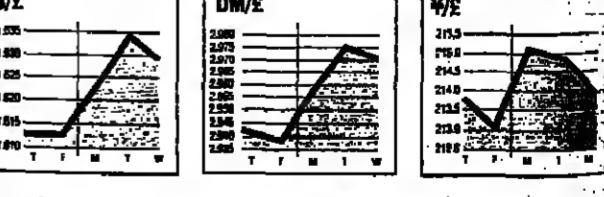


Money Market Rates	3 months	1 year	1 yr cd	10 year	1 yr cd	Long bond	1 year
UK	7.55	1.12	7.55	0.59	6.03	-1.51	5.99
US	5.63	0.03	5.67	-0.30	5.42	-1.10	5.71
Japan	0.73	0.24	0.88	0.14	1.87	-0.71	2.50
Germany	3.55	0.43	3.62	0.62	5.05	-0.72	5.62

MAIN PRICE CHANGES

Rises	Price (\$)	Change (\$)	% Chg	Falls	Price (\$)	Change (\$)	% Chg
Telewest commun	78.00	8.00	11.43	Dixons	624.00	-58.00	-8.59
Castrol	685.00	52.50	8.30	Tarmac	97.50	-9.50	-8.68
Somerfield	2501.00	16.00	0.61	Stonehouse	221.5	-10.5	-4.53
Grove Oriental	89.50	5.00	5.92	Schroders	1622	-73	-4.38

CURRENCIES



Pound	\$/Pound	Change	Yield	Dollar	\$/Dollar	Change	Yield
Dollar	1.6291	-0.44c	1.6834	Sterling	0.6133	+0.17c	0.6449
D-Mark	2.9714	-0.0701	2.6722	D-Mark	1.6236	+0.41p	1.5998
Yen	213.84	-1.35	195.73	Yen	131.27	-10.47	117.18
E index	104.80	0.00	95.90	\$ Index	110.20	+0.00	99.68

OTHER INDICATORS

Gold (\$)	Price (\$)	Change	Yield	Crude Oil (\$)	Price (\$)	Change	Yield
Gold (\$)	293.35	2.25	354.00	RPI	160.00	3.60	154.44
Silver (\$)	5.70	0.11	4.69	Base Rates	7.25	6.00	

www.bloomberg.com source: Bloomberg

Profit warning reveals Christmas shock for Dixons

Dixons confirmed City fears of a weak electrical goods market yesterday when it issued a profits warning caused by poor Christmas sales of items such as personal computers, wide-screen televisions and hi-fi systems. Nigel Cope, City Correspondent, reports.

Dixons shares crashed 10 per cent to 528p when the company said profits would be below market forecasts. Analysts reduced their estimates from as high as £250m to around £210m.

"Christmas was a bit of a shock," said Jonathan Clare, Dixons' chief executive. "A new Christmas trading pattern has become apparent with a greater proportion of consumers

deferring large purchases until the January sale."

Dixons' announcement came as it reported a 34 per cent increase in first-half profits to £77.1m. It



OUTLOOK ON THE POWER OF COMPETITION TO TRANSFORM RETAIL BANKING, SHARE BUYBACKS, AND THE ISSUE OF ENVIRONMENT VERSUS JOBS

Customer care is the key for battling bankers

Savers are being treated to a veritable litany of eye-catching interest rate and new product offerings right now from established players and newcomers to the market alike. The latest of these comes from the Halifax, which promises to pay a headline rate of a remarkable 7.85 per cent on instant access accounts. This is not quite as good as it seems, since that very high rate is available only on deposits of more than £40,000. For smaller deposits, the rates are not so competitive.

Even so, the initiative is indicative of the way in which the savings and retail banking market is being transformed by new entrants and low cost products. The good news for consumers is that these new highly competitive rates and products are not one-offs, brief aberrations that will vanish as quickly as summer snow. In fact, things are just going to get better and better for buyers of financial products. The bad news for shareholders in these companies is that as they do, the profit margins are going to get worse and worse.

Underlying these changes is the rapid development and falling costs of information technology. The effect has been greatly to increase capacity in retail banking and other forms of financial service while simultaneously decreasing the need for big work forces to support them. This in turn is making possible the provision of enhanced services at considerably lower cost. Traditionally high barriers of entry to the financial services industry are falling as technology becomes more widely available and reduces the scale required for low cost operation.

As a result, a range of new entrants - supermarkets, other financial institutions like Standard Life and the Prudential, and entrepreneurs like Richard Branson - have begun to attack what was once the exclusive preserve of high street banks and building societies. The established players have little choice but to compete head-on, both on price and service. If they don't, then even taking account of the usual inertia of banking and building society customers, they'll find the ground swept from under them.

In responding to the shock of the new, present market leaders will also need to re-examine some of the basic traditions and attributes of retail banking - most notably in the area of customer care. Time was when your local bank manager could be relied upon to know all about your personal finances and offer unusually sound advice on how to manage them.

That at least is the picture most people have of bespoke Victorian banking traditions. Actually, that kind of service was never available to more than a small minority of the relatively well-heeled. It has all but vanished in the age of banking for the masses. Today, banking is too often about selling - shoving highly priced and disparate products down the customer's throat, sometimes in a way which is positively against his best interests.

Again, new technology and enhanced competition offer the possibility of a return to those traditional banking values and standards of customer care, only this time they will be available to all. Virgin One has already recognised the demand for one stop

banking, of offering a rounded reasonably prices customer service rather than a series of different highly priced products.

The more savvy established banks and building societies are beginning to move in that direction too. Unfortunately for their shareholders, this brave new world may prove a good deal less profitable than existing retail banking models.

Dangers in the buyback craze

Another day, and the promise of another massive share buyback, this time from Rio Tinto (the former RTZ), which is seeking permission to buy back up to 10 per cent of its shares. In Rio Tinto's case, the buyback itself is actually rather unlikely to occur until Advance Corporation Tax is abolished at the end of 1999, for as things stand, 20 per cent of the value of any Rio Tinto buyback would end up with the tax man. All the same, if there's a corporate fashion to be followed, it would surely be a shame for Rio Tinto not at least to look the part.

According to investment banks, 1998 is going to establish a new record for share buybacks and other forms of capital repayment. The reasons are well rehearsed. Companies are required by their shareholders to "focus" on core capabilities, and the return on capital required of them is much more demanding than it was. As a result, many companies are beginning to throw off excess capital in large quantities. Furthermore, with present very low long term

interest rates, the cost of capital can be significantly reduced by swapping equity for debt.

This in turn seems to suit the big investing institutions, who are beginning to view equities as excessively priced. As pension funds mature, their need, in any case, is to move away from "high risk" equities into "low risk" debt and bonds. How wonderfully convenient, then, that this is what the share buyback allows them to do.

Even assuming all this stacks up, and is not just some eloquent piece of theoretical nonsense dreamt up by clever investment bankers in order better to earn their fee, there are clear dangers in the process. All looks fine and dandy in today's benign environment of low inflation and continued growth, but what happens during the next business downturn? Many of these companies will be back cap in hand, asking for expensive debt to be converted into low yielding equity. *C'est la vie.*

Environmental dilemma for Blair

Tony Blair is asking a lot of the middle classes who voted him into power last May. Not only does he want them to surrender their state benefits, he also expects them to help the Government deliver on the ambitious environmental pledges Labour made before polling day.

And yet it is not as simple as that, either. Everywhere the Prime Minister turns these days he is confronted with a conflict between

his clean man of Europe aspirations and the more pressing concern of preserving jobs and cutting prices to consumers. The latest flashpoint is the water industry where the consumer lobby wants fat rebates from the efficiency gains made since privatisation while the environmentalists want the money spent on lead-free drinking water and cleaner beaches.

When Labour was in opposition, its environment spokesman Frank Dobson never missed an opportunity to excoriate the water companies for ripping off customers and lining the pockets of shareholders. Now it is in power the Environment Minister Michael Meacher is suddenly less keen to turn on the customer rebate tax if it compromises environmental programmes or, worse still, means they have to be paid for out of taxation.

A similar game is being played out in the coal industry where Old Labour's determination to save the pits was never going to sit easily with New Labour's environmental agenda. Now we discover that the middle classes cannot save the miners' jobs even if they wanted to because the pollution curbs demanded by the Environment Agency are such that they could prevent a single tonne of British coal ever being burnt again. If Mr Blair really wants to know where his voters stand when it comes to cleaner air or lower bills he should read yesterday's survey from the Energy Saving Trust. This suggests that eight in ten motorists would drive electric cars but only if they cost less and were cheaper to run. It is not just politicians who like to have their cake and eat it.

Water watchdog wants cut in bills from efficiency savings

The consumer watchdog for the water industry yesterday called for a one-off 10 per cent cut in bills and accused the Government's Environment Agency of siding with the water companies in an attempt to stop customers getting rebates. Michael Harrison reports.

The one-off reduction called for by the Ofwat National Consumer Council would mean a saving of around £25 per household in 2000 when the average domestic bill is likely to have reached £250.

It would be paid for by efficiency savings achieved over the previous five years under the existing price control formula. In the following five years, price rises should be kept below the rate of inflation, the council added.

Michael Meacher, the Environment Minister, was urged to support the reduction in bills when he addressed the consumer council's national conference in Birmingham yesterday afternoon. After his

speech, Jim Garner, chairman of the council, said he had been reasonably heartened by the minister's response. "Mr Meacher said we have a strong case and he recognised the strength of that case but that he had other pressures to take into account," said Mr Gardner.

The Environment Agency is mounting a campaign for any efficiency savings to be redirected into environmental clean-up measures not into customers' pockets and claims consumer research shows overwhelming support for such a move.

But in a letter to Mr Meacher, the consumer council said: "We are concerned that the water companies, the Environment Agency and other environmental groups appear to be forming an alliance in an attempt to appropriate for the environment money that should properly be returned to customers."

A new drinking water directive from Brussels is expected to cost the industry up to £3bn alone to implement. There are also directives planned on cleaning up rivers and bathing water.

The agency argues that these should take precedence over reductions in customer bills. However, the consumer council said

while it supported further improvements in water quality and environmental standards, it expected these to be funded out of future efficiency savings not taxation.

The dispute between the environmental and consumer lobbies over water charges is just one of a number of awkward dilemmas facing ministers over whether to put the environment ahead of jobs and price cuts.

Eastern, the country's biggest electricity company, has warned that government attempts to protect the British coal industry risk being thwarted by the demands of the Environment Agency for lower sulphur emissions, which could prevent it buying a single tonne of British coal.

Meanwhile, the Energy Saving Trust yesterday issued a government-funded survey showing that eight out of 10 motorists expected to be driving environmentally friendly gas or electric-powered cars by 2010. The Trust said conversion to clean-fuel vehicles on this scale could cut the UK's total emissions of carbon dioxide by 5.5 per cent - taking it a quarter of the way towards its target of reducing CO₂ emissions by 20 per cent.

Outlook, this page

Outlook, this page



Pollution problems: The Environment Agency is campaigning for the water industry's efficiency savings to go towards clean-up measures rather than into customers' pockets

More share buybacks on the way as companies swap equity for debt

Rio Tinto, the Anglo-Australian mining group, yesterday joined a growing band of companies seeking to buy back their own shares when it said it would seek authority from shareholders to buy in 10 per cent of its share capital. Peter Thiel Larsen finds that institutional investors see no end to the trend of companies swapping equity for debt.

Rio Tinto, whose shares have taken a hammering in recent months as a result of the Asian crisis and falling metals prices, said share prices were a good use of the company's cash.

"Buying back shares, particularly in current market conditions, should achieve earnings per share improvement for the shareholders and enhance the underlying value of those shares which remain outstanding," said Robert Wilson, chairman of Rio Tinto plc, the group's UK arm.

Analysts said that given uncertain market conditions, the company was better off buying in shares than investing in new

mines. A 10 per cent share buyback would cost the company over £1bn. But with an annual cash flow of £2bn and a gearing ratio of 26 per cent, experts reckon Rio Tinto can afford it.

Shares in Rio Tinto Limited, the group's Australian arm, rose 8 per cent to A\$18.30, while shares in Rio Tinto plc finished the day up 15.5p at 713p.

Peter Davy, an analyst with investment bank Société Générale, Strauss Turnbull, pointed out that Rio Tinto would not necessarily use the authority to buy back shares.

"All they are doing is making sure they have the full set of tools available to get their balance sheet in order," he said.

Nevertheless, the fact that Rio Tinto is considering the move points to the growing fashion of companies distributing their spare cash to shareholders. In the past 18 months, British firms have banded back more than £10bn in the form of share buybacks and special dividends. Recent converts to the trend include Baes, the hotels and brewing group, and electronics giant GEC.

But there is much more to come. NatWest Markets, the investment bank, reckons that share buybacks alone will reach £7bn this year, up from £3bn in 1997.

Underlying this trend is the belief that increased levels of debt will reduce a company's overall cost of capital. Since investors demand double-digit returns from shares, companies have to produce those returns from investments funded by equity. Debt, however, costs no more than the company pays in interest. With corporate borrowing rates at historically low levels, debt has become much more attractive.

Giving cash to shareholders is also seen as safer than pouring money into risky investments or acquisitions. "Buying back shares is like taking over a company where you know exactly what you're buying and you're not paying a premium," says one leading fund manager.

He points to utilities, insurance companies and the former building societies as obvious candidates to distribute spare cash. Other favourites include Associated British Foods, the food group which has accumulated a huge cash mountain, British Telecom and Marks & Spencer.

The trend towards share buybacks has been accelerated by recent tax changes. In the past, pension fund investors had a preference for equity because dividends came with a tax

Banks to determine loans on firms' millennium awareness

Companies may be refused a bank loan unless they can show that their computer systems can cope with the so-called 'millennium bug'.

Year 2000 compliance is becoming an increasingly important determinant of credit ratings.

Leo Paterson reports.

been designed to act as "a basis for discussion between bank and customer".

The Federation of Small Businesses (FSB), which represents around 112,000 small companies in the UK, yesterday warned that businesses without millennium bug policies should act "sooner rather than later".

A FSB spokesperson said: "Up to now the banks have been very good [with businesses lacking a millennium bug policy]. But it will get a stage when banks will start getting worried. Now is the time to act."

It is not only the bank manager who is likely to start demanding evidence of year 2000 action from companies. Katie Morris, chief executive of Cisco, which represents smaller quoted companies, believes that companies wishing to finalise or make rights issues could also have to prove they are "millennium bug-free".

"Companies should increasingly expect to be asked about the year 2000," she said.

The BBA was optimistic yesterday that its own members would be fully prepared for the millennium. Mr Young said: "I am pretty confident that the banking industry in the UK will be year 2000 ready by 31 December, 1998, although I am not in a position to issue any guarantees."

The four-page checklist was published by the BBA, with a note of caution about firms overstressing their balance sheets. "Incurring debt may involve putting a company's destiny in the hands of its bankers," says one. "Bankers aren't the shareholders' friends."

Outlook, this page

Deutsche scotches rumour of merger with rival

Deutsche Bank yesterday confirmed it was conducting a review of Deutsche Morgan Grenfell, its investment banking arm, but denied it was planning to merge with a rival investment bank. Rolf Breuer, Deutsche's chief executive, said the bank was considering dropping the Morgan Grenfell name as it was not commonly used in the industry, and also that Deutsche could merge its investment and commercial banking operations. But Mr Breuer said: "We have no current consideration of merging with JP Morgan or any other bank."

Hercules steps up attack

Hercules yesterday stepped up its attack on Allied Colloids after its hostile £1.1bn bid for the UK specialist chemicals business was cleared to proceed by the Government. Allied Colloids has until Friday to release its final defence document but could do so as early as today. Hercules has launched a personal assault on David Farrar, Allied Colloids' chief executive, and his record in charge of the group.

Rolls seeks Trent partners

Rolls-Royce is seeking further partners to help develop new versions of its Trent engine following confirmation yesterday that LucasVarity is taking a 5 per cent stake in the programme in exchange for work worth up to £2bn over the next 20 years. LucasVarity is investing £75m and will make components for three new engines to power stretched versions of the Airbus A340 and Boeing's 747 and 777 models.

Whitbread reveals little

Whitbread, the brewing and leisure giant, yesterday said trading was in line with expectations and trading in the two weeks over Christmas and new year was comfortably ahead of last year. But analysts were left none the wiser by the statement, which lacked details of the performance of any of the group's divisions. The group also declined to comment on speculation that it was close to shutting down two of its five breweries.

Railtrack appoints director

Railtrack will announce today the creation of a new position - that of performance director, whose job will be to ensure that the trains run on time. John Curley, 44, takes up his position later this month and will report directly to Brian Mellini, the engineering director. Mr Curley has worked in the rail industry for more than 20 years.

Sketchley in sale talks

Sketchley has confirmed it is in talks that could lead to disposal of its high street division which includes the dry cleaning and Supasnaps business. The likely buyer is thought to be NatWest Equity Partners, Birmingham, though a deal is not expected until next week. The price is thought to be less than £10m.

Budgens profits rise 15%

Budgens, the supermarket group, has continued its good run with a 15 per cent rise in half-year profits boosted by strong sales and improved margins. Half-year profits rose to £5.8m helped by the strong pound which helped push costs.

Reprise for Watmoughs

Watmoughs' battle against a £188m hostile takeover bid from Quebecor, the rival printing group, was put on hold by the Takeover Panel yesterday, pending a decision from the Office of Fair Trading on whether the bid should be referred to the Monopolies and Mergers Commission. Under the original timetable, Watmoughs had until next Friday to come up with its final defence against the bid.

Racial closes Winhub

Racial Electronics is closing the Winhub project, part of the loss-making Racial Data Group, as part of its plans to slim RDG down for sale. It will close with the loss of 350 jobs worldwide, including 50 in the UK office in Hook, Hampshire.

Chemical industry warning

The UK's chemical industry warned against further increases in interest rates yesterday, saying there were already signs of a slowdown in activity which would only be made worse by the prospect of higher exchange rates. The Chemical Industries Association forecast output would grow by 2 per cent this year in the UK and by 3.5 per cent across Europe as a whole.

THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

Dixons delivers a seasonal shock

The market was expecting a slowdown at Dixons, which is why the shares had come off so sharply since their 720p peak in November. But yesterday's figures were worse than even the most pessimistic analysts had expected, hence yesterday's additional 10 per cent decline. No one was expecting a profits warning and a 4 per cent fall in like-for-like sales over the Christmas period.

In fact, the figures would have been even worse if it hadn't been for a post-Christmas surge as bargain-hunting consumers waited until the sales to buy higher-ticket items such as washing machines and dishwashers. In the weeks running up to Christmas, like-for-like sales were down by a thumping 7 per cent.

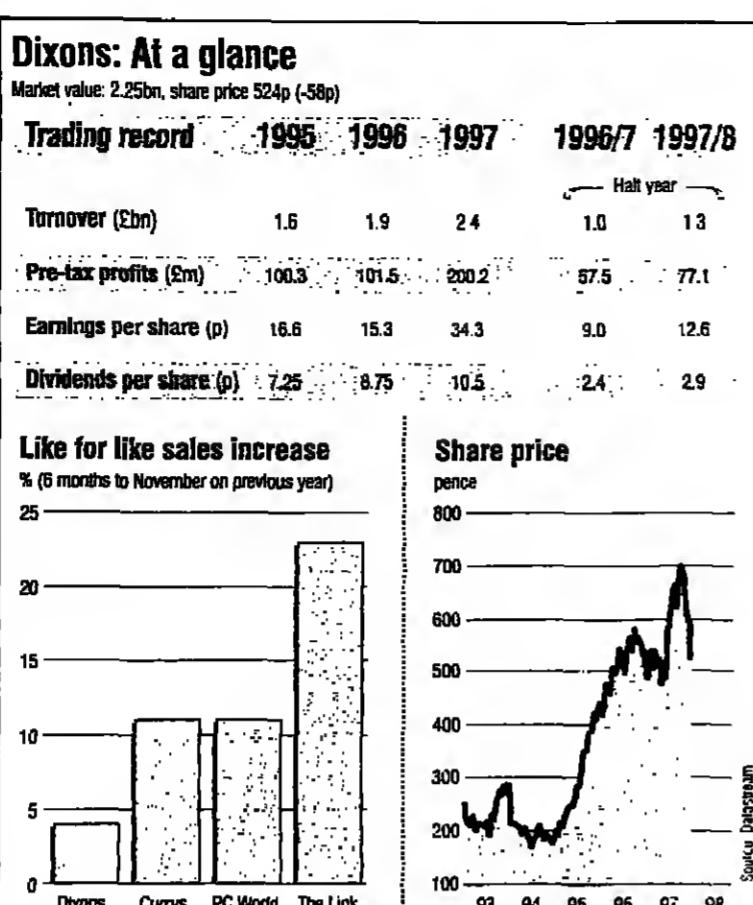
But this is no disaster story and it is one of the characteristics of Dixons that the market tends to over-react to both good and bad news. It is certainly true that Dixons is going to have a tough start to the year and the market will not easily forgive yesterday's shock.

It seems clear now that last summer's windfall payouts simply sucked forward some big-ticket spending rather than creating much in the way of incremental sales. Interest rates rises are starting to bite and shoppers are increasingly stalling some purchases until after Christmas when they can buy things more cheaply.

Given all this, it is a testimony to Dixons' stock management that it managed to hold margins and not go into the winter saw with a serious stock problem. Another problem is that by the summer Dixons will be up against some extremely onerous sales comparisons as last July it was seeing 17 per cent like-for-like sales advances fuelled by the Halifax windfalls.

But Dixons should fare better later. The World Cup should increase demand for consumer electronics like higher priced televisions and videos. The launch of digital television in the summer will provide a further boost and while the departure of the finance director has come earlier than expected this remains a well managed company.

Management has not been deflected from its strategy of moving Currys out of high streets to retail



parks and expanding both PC World and The Link.

Dixons shares may have flown too close to the sun last year but on revised analysts' forecasts of £225m they now trade on a forward rating of just 14. That looks good longer-term value.

Odds stacked against Stanley

Stanley Leisure, the casino operator and bookmaker, has lost its winning streak over the last few months. Its shares have fallen almost 15 per cent from a peak of 320p since last spring over fears that its casino business was failing to come up trumps and that the Government had put its plans for the deregulation of the industry on hold.

However, pre-tax profits rose 37 per cent to £10.1m for the six months to October, causing the share price to perk up 9p to 273.5p.

Casino profits did fall 9 per cent to

£4.73m. However, its £1.5m scheme to solve a staffing crisis is working and the business looks to have turned the corner. The bookies chain can also look forward to a big one-off boost from the World Cup. Perversely, the takeover of the Coral betting chain by Ladbrokes should help business. Ladbrokes is unlikely to compete with Stanley for any new sites on the market and competition authorities may even force it to put more bookies up for sale.

But Stanley's problem is that organic growth in both its divisions will be hard to come by. The Government is unlikely to allow operators new slot machines for at another year at least and probably much longer, a move which had promised to increase Stanley's revenues dramatically. As for betting, most of the growth has come from new numbers games and slot machines but the prospect of further growth here is somewhat limited. It is a worrying trend that the number of betting slips taken has actually fallen in the last six months.

Analysts forecast pre-tax profits of

around £24m-£25m for the year to April, putting the shares on a prospective p/e ratio of 18-19.

Given Stanley's strong management team, which is armed with a £40m war chest, the rating is justified but the upside looks relatively limited. Hold.

First Technology races ahead

Since its near-fatal crash in 1991, when it looked like it was on its last legs, First Technology has been unstoppable. Rising demand for safety features in cars has provided a growing market for the group's electronic switches, which cut car fuel supplies and unlock doors in a crash. The same factors have also boosted demand for First Technology's family of crash-test dummies.

Yesterday's first-half results to October, which showed a 29 per cent rise in pre-tax profits to £5.7m, suggest that growth is showing no signs of slowing. Even though it is supplying almost 1.4 million fuel cut-off switches a year - they are installed in one in three new cars produced around the world - chairman Fred Westlake reckons there is more to go for.

Meanwhile, First Technology can look to sensors which measure the level of fuel in the tank and switches that unlock a car's doors after a crash, to provide a further boost to earnings. European Union support for the new car assessment programme - the system of rating cars according to how they perform in a series of crashes - will ensure that demand for dummies remains healthy.

Of course, there are risks. At a forecast growth rate of just 2 per cent a year, the world car market is hardly booming. General Motors and Ford, two of First Technology's largest customers, are expected to lose market share. That said, customers continue to demand ever more sophisticated safety features, and it will take years before First Technology's products are fitted as standard on every car. Competition remains a worry, but the group's main products seem to have an unassailable lead.

On Peal Hunt's full-year profit forecast of £11.5m the shares, which yesterday rose 24p to an all-time high of 343.5p, trade on a forward p/e ratio of 22. The premium rating is fully deserved.

Shandwick talks included discussion of full offer

Lord Chadlington, the chairman and founder of Shandwick International, the world's largest independent public relations firm, disclosed that the group has held preliminary discussions with major business partners about a range of strategic options ranging from joint ventures to to a full offer for the company. Clifford German reports.

Yesterday Shandwick spokesmen refused to elaborate during the company's close period prior to the publication of full-year results later this month.

They refused to confirm reports that the potential partners included True North, an acquisitive US-based advertising agency best known for its subsidiary Footh Cone and Belding. True North has a 4.5 per cent stake in Shandwick acquired through the acquisition of Golin Harris in 1987. Shandwick shares rose 3.5p to 52p.

Shandwick's profits recovered sharply to £9.2m in the last

financial year but were only marginally higher at the interim stage at £3.9m.

Shandwick's biggest single shareholder is the UK Active Value Fund, led by Julian Treger and Brian Myerson, who are reported to have intervened to put pressure on Lord Chadlington, the younger brother of Selwyn Gummer, the former Tory Agriculture minister, to find ways of delivering better value for shareholders. He is supposed to have promised to deliver value within six months from last autumn.

Shandwick is a global business and more than half of the revenue now comes from the US compared with less than 25 per cent in the UK. It suffered problems through its push for growth through overseas acquisitions in the 1980s and ran up debts of £70m which have now been run down to around £40m, finance director Roger Selman said yesterday.

The company has been nicknamed the civil service of the public relations industry because of its size, complex organisation and high staffing levels. It also lacks a major advertising business, which usually offers a more reliable source of earnings than public relations, a volatile and

competitive business where accounts frequently follow account directors to rival firms.

A number of US advertising agencies are also known to be anxious to make acquisitions in the UK public relations industry in the drive to complete a global coverage across the full range of media services.

Last year the Shandwick financial public relations division suffered a loss of several senior executives, and a further small exodus took place last month.

There were reports a year ago of

talks between Shandwick and Lowe Bell, Sir Tim Bell's public relations and advertising group, although these were denied.

The report of discussions coincided yesterday with the announcement of a major reorganisation of the group's operations worldwide, which will merge five separate Shandwick brands into a single brand, with the aim of making it easier for clients to access the most relevant area of expertise. Operations will be reorganised into 10 specialist groups, including brand communications, broadcast consultancy, business and technology, design, healthcare, interactive, internal communications, financial, public affairs and leisure.

Cruise liners to return to Liverpool's Pier Head

Cruise liners are poised to return to the centre of Liverpool after an absence of more than 25 years under an ambitious £60m redevelopment scheme of the city's waterfront planned by Mersey Docks and Harbour Company.

The port's operator plans to build new berths for cruise ships at Pier Head by dredging the River Mersey. Together with other new port developments designed to bring in ferry operators offering services to and from Ireland, Mersey Docks hopes to attract 500,000 passengers by the turn of the century.

The group is also building a new 174-bedroom Holiday Inn and a huge office complex at Princes Dock, next to the famous Liver building, immortalised by The Liver Birds 1970s TV series.

Mersey Docks is one of the largest property owners in the city, with over 2,000 acres at its disposal. It has embarked on a £500m square foot warehousing and industrial project near its existing port facilities and could eventually build another 1.5 million square feet of offices, retail and leisure space.

Cunard stopped running cruise ships from Liverpool to North America in the mid-1960s. The last liner to set sail from the city waterfront, the Empress of Canada, left in 1974. It is soon to return to Liverpool under its new name Apollo and will be able to use the deep channel berths by 1999.

Mersey Docks' reputation and share price has been tarnished by a long-running dispute with 329 former dockers. However, the group insists that the action by the former employees is having no effect on its business. The group is still determined not to enter into any new negotiations and it claims the Government, which still owns a 15 per cent stake in the business, has put 'no pressure on it to do so.'

- Andrew Yates

Electricity suppliers may have to put up a bond

Suppliers entering the competitive electricity market may have to put up a bond similar to that operated by ABTA in the travel industry to protect customers and trade creditors if they go bust.

The idea was canvassed yesterday by Professor Stephen Littlechild, the electricity regulator, as a way of spreading the debts of defaulting suppliers across the industry.

The size of the bond would relate to the supplier's market share and would help pay industry creditors and householders who could be owed money when their supplier went under.

A consultative document issued by Professor Littlechild suggests that the bond should be

large enough to cover the costs of providing an electricity supply for at least one month. However, it leaves open questions such as the actual size of the bond.

The paper comes amid growing speculation that the Government is about to announce a delay of up to six months in the start of competition for domestic customers.

Householders are due to be allowed to start shopping around for a supplier from April but computer problems and the slowness of some regional electricity companies in gearing up for competition, mean that the start date may have to be put back to September.

- Michael Hornsby

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Legal Notices

Turnover £	Pre-tax £	EPS	Dividend
Bedfords (I)	196.2m (183.8m)	5.8m (+5.0m)	2.7p (2.3p)
City Etc Estates (F)	- (-)	0.245m (0.110m)	5.42p (1.58p)
Cooley Jenkins (I)	13.42m (9.91m)	1.65m (1.3m)	8.12p (6.35p)
Dobies (I)	131m (10.82m)	77.1m (57.5m)	12.8p (9.0p)
First Technology (I)	27.7m (23.4m)	5.8m (4.2m)	1.8p (1.4p)
Irish Continental (F)	£1139m (127m)	£114.5m (10.5m)	£55.1p (44.2p)
KS Electronics (I)	- (-)	-0.557m (0.847m)	- (-)
Robert H Line (F)	42.1m (30.5m)	4.7m (2.4m)	2.8p (2.3p)
Stanley Leisure (I)	231.2m (209.6m)	10.13m (7.40m)	5.3p (4.5p)
			1.4p (1.2p)

(F) - Final (I) - Interim + EPS is pre-exceptional * Dividend to be paid as a FID

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Legal Notices

NOTICE OF APPLICATION FOR NEW JUSTICES LICENCE LICENSING ACT 1964	COURT: 1ST FLOOR, 185 MARYLEBONE ROAD, LONDON NW1
COURT: THE MAGISTRATES' COURT, SOUTHEND-ON-SEA	
HEARING DATE/TIME: TUESDAY 3 FEBRUARY 1998 AT 10.30AM	
Premises: THE TRAVELLER, 141/149 EAST LONDON, SOUTHERN-ON-SEA	
Applicant: CLARE GOLDSPINK	
Address: 7A LONGFORD ROAD, EAST MALLARD, EAST SUSSEX, BN2 3LW	
Trade or calling: ASSISTANT MANAGER	
Applicant: ROBERT JONES	
Address: 5 HOLLES COTTAGES, STAINFORTH, NORTH YORKSHIRE	
Trade or calling: MANAGER	
Notice: I apply for a Justices Licence to be granted to me to be held at the place date and time shown above for the grant to them of a Justices Licence authorising them to sell or let by retail or otherwise liquor of all descriptions and to keep or dispose of all the above premises.	
Dated: 8 January 1998	
FASNER & CO	
Bowes House, 154 Fleet Street, London EC4A 2DD	
Solicitors and authorised Agents for and on behalf of the said Applicants	

Dulwich

POLAND 2, room 11 house, Gipsy Lane, Dulwich, London SE22 8QZ

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27/SHARES

THE INDEPENDENT
THURSDAY 15 JANUARY 1998

27

Airtours lifts off amid takeover speculation

MARKET REPORT



DEREK PAIN

An array of rumours sent Airtours, the holidays group, romping to yet another peak. The soaring shares, the equivalent of 40p seven years ago, climbed 35p to 1,335p.

The yearly shareholders meeting takes place next week and there are rising hopes chairman David Crossland will relate a joyous tale of humper treading and possibly announce a share split, the first for five years.

But, of course, in such a frenetic atmosphere, takeover speculation is not far below the surface. The holiday industry is due for a round of consolidation, having survived almost unscathed a Monopolies and Mergers Commission investigation.

Thomson, Britain's biggest holiday operator, is thought to be planning a summertime flotation which could value the Canadian controlled group at £1.3bn. First Choice, number

three in the pecking order, could attract bid attention and there is talk the big unquoted groups, which have a big say in the industry, are flexing their corporate muscles.

Airtours, however, is the market's favourite for a strike. It already has a possible predator on its share register in the shape of the Carnival Corporation, a big, ambitious US group which sits on 29.46 per cent.

Ever since Carnival arrived the market has had the distinct impression it would not be content until it gained control of the British operation, floated only 10 years ago and now valued around £1.9bn.

The stock market made further modest headway in often brisk trading. Footsie, at one time up 51.9 points, closed 23 higher at 5,106.9.

Significantly, supporting shares are perking up and could catch their Footsie peers. The FTSE 250 index

rose 6.8 to 4,833.3 and is 120.5 from its peak; the FTSE SmallCap added 10 to 2,350.1 just 50 from its record. Second liners have often enjoyed a bright opening to the year, only to subsequently fall away.

Somerfield, the supermarket chain, had another heady trolley run, running 16p higher to 25.1p peak. Takeover talk is in the air although Credit Lyonnais Laing suggest clients should take profits. The shares were 190p last month.

Cadbury Schweppes, the soft drinks and sweets group, was the best performing blue chip, fizzing 52.5p to 685p. A US deal with Coca-Cola did the trick. Coke, Cadbury's fiercest rival, has agreed to extend an agreement to manufacture and distribute Cadbury's products in the US. The new deal will run until the end of 2,005.

Dr Pepper/Seven-Up is a large part of Cadbury's busi-

ness and accounts for 15 per cent of the US soft drinks market. It has been under pressure because Coca-Cola and Pepsi Cola control much of the US distribution network and have not always displayed much enthusiasm towards Cadbury brands, prompting speculation the UK group would be forced to buy bottling companies.

LucasVarity, the aerospace group, climbed 7.5p to 214p after winning a £2bn Rolls-Royce order.

Financials had a strong session with Barclays, up 45p at 1,658p, leading the way. Halifax hardened 17p to 772p as Lehman Brothers produced a 900p target price. A planned share buy-back allowed Rio Tinto to ignore the pull of falling metal prices and gain 15.5p to 713p. BT gained 15.5p to 516p on hopes its broadcasting arm will soon be lifted.

Dixons dived 58p to 524p on its disappointing trading statement. Storehouse fell 10.5p to 221.5p after awakening the adage that delay means disaster by postponing its festive comments from today until Monday. Mirror Group lost 2p to 192p following the resignation of director Liam Kane and talk of a Salomon Brothers downgrade.

British Aerospace dropped 41p to 1,654p on worries the turmoil in the tiger nations

will lead to Airbus orders being shelved. Philippine Airlines underlined the danger by cancelling an order for four Boeing 767s. Rolls fell 5p to 217p. Diageo, the drinks giant, softened 3p to 568p as Panmure Gordon drew attention to its Asian exposure.

Takeover talk lifted Telewest Communications 8p to 78p and Creative Publishing, the greeting card group, 4p to 155p. Sketchley, the cleaning chain where a bidder hovers, said it was in talks to sell its retail division. Public relations group Shamwick International firmed 3.5p to 52p after disclosing negotiations were under way which could lead to a bid. UK Active Value, the fund run by interventionists Julian Treger and Brian Myerson, prompted the talks.

Proteus International improved 8.5p to 63p as expectations grew its BSE tsx could become a commercial proposition.

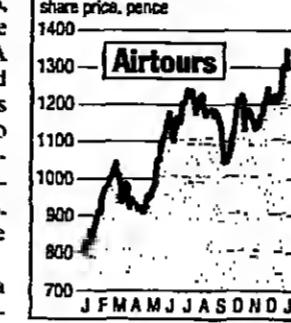
TAKING STOCK

Belgo, the mussels and beer restaurant business with just two outlets, received an enthusiastic reception. In heavy trading, with Seagull putting volume at nearly 56 million, the shares closed at 6.5p, in effect a gain of 3.5p. The restaurant operation was pumped into a loss-making property group, Lonsdale Holdings. The deal was handled by entrepreneur Luke Johnson, famed for using a struggling computer group as the vehicle to bring Pizza-Express to market.

Banner Hemes, the house builder, held at 97p. Charterhouse Tilney forecast a £3.2m profit jump to £5m this year, putting the shares on a prospective p/e ratio of only 4, which it describes as "completely anomalous".

A unitisation proposal lifted the shares of Baring Stratton Investment, an obscure investment trust, 50p to 329p, a peak.

Share spotlight



Source: Bloomberg

Share Price Data

Prices are in sterling except where stated. The yield is the latest twelve-months declared gross dividend as a percentage of the share price. The price/earnings ratio is the share price divided by earnings per share. Dividends are paid quarterly unless otherwise stated. Ex-dividend date is the date on which dividends cease to be paid.

Orbital Express flight delayed, EMI's suspended, Parry Park up 10p. AIM Stock Prices are Bloomberg Generic.

Source: Bloomberg

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40p cost 50p per minute.

41p to 1,654p up worries the

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Source: Bloomberg

Share volume 89.6m, trades 53,467

Gilt index 103.41 -0.42

at 10pm

Market Leaders: Top 20 volumes

at 10pm

Stock Val Stock Val Stock Val

Which emerging market is going to be the next South Korea?



DIANE COYLE
ON THE SIGNS
EVERYONE
FAILED TO SEE

For the forward-looking investor, Asia is so five minutes ago. The question is where the next trouble spot is going to be. Of course, if the recent crisis has put you off emerging markets altogether, this isn't interesting at all, but the case for diversifying into higher-risk, higher-return countries has not disappeared in a puff of smoke along with South Korea's economic prospects.

For all kinds of reasons, from their youthful populations to their potential for catching up with more advanced economies, emerging markets as a group should not be written off. But how do you tell the genuine trend-setters from the fashion-victims? After all, Korea seemed such a safe bet.

Answering the question does involve looking backwards, and one of the main credit rating agencies, Fitch IBCA, has published a fascinating post-mortem of why it misjudged Korea. As it admits: "Clients are entitled to expect us to perform better in future... the Korean downgrades are the most dramatic instances of sovereign rating downgrades, bar none."

The background to recent criticism of the ratings agencies, Moody's and Standard & Poor's too, is that all sharply down-

graded Korea but, unfortunately, after the event. In the summer the country was still on an investment-grade AA minus (or A1 on Moody's scale). Between the start of its financial crisis and late December it was marked down four times to near-junk ratings.

To paraphrase Tolstoy, healthy economies are all alike, but every crisis is different. So a cynic might raise a languid eyebrow at anybody claiming that events in Korea marked a new kind of crisis. However, this does seem to be true. As the Fitch IBCA report spells out, all the conventional, prudent measures of the country's financial soundness suggested that nothing was wrong.

For a start, Korea had recently been admitted to the ranks of the high-income club, the Organisation for Economic Co-operation and Development, and had been given a clean bill of health in the IMF's regular economic analyses. As recently as October it was predicting that its GDP growth would be unchanged at 6 per cent in 1998, only slightly lower than the rates seen in the early 1990s. As far as official reports went, Korea was still an economic miracle.

In addition, commercial banks had continued to lend cheerfully, increasing their exposure quite dramatically in the first half of this year. The total claims foreign banks had on Korean borrowers soared from \$108.8bn in December 1996 to \$116.5bn in June 1997, a faster annual rate than the rise during 1996. Banks rely less than the buyers of bonds on the verdict of the ratings agencies because most of them have their own, in-house research. So at least the agencies were in good company.

All of this brainpower was applied to certain measures of the riskiness of investing in Korean debt. Some warning signals are pretty obvious. For example, a fixed exchange rate accom-

panied by a rapidly ballooning current account balance is a clear signal of an overheating economy unable to rely on devaluation as a safety valve. Thailand was in this position, but Korea far less so. Its previously large trade deficit was already declining, partly because the exchange rate, though still managed, had fallen somewhat, and partly because the government was not running a huge deficit.

The fixed exchange rates had, however, encouraged Asians to borrow in dollars because there was no currency risk. But most analysts had been trying to keep an eye on each country's total level of foreign indebtedness, in dollars as well as local currency.

This was not easy, as there is no requirement on countries to produce consolidated figures. Even the IMF required the publication of government debt only, not private sector indebtedness, even though the total is relevant to creditworthiness. As the Korean crisis blossomed, there was a good deal of uncertainty about the figure – it turned out to be much larger than the number anybody first thought of.

However, South Korea is by no means a heavily indebted country. As a proportion of GDP, debt is higher in countries like Canada and Australia, never mind other emerging markets. A high and rising share of its debt was very short term – which had been Mexico's problem too – but analysts overlooked it in the Korean case because of the low total.

Fitch IBCA concludes now that a high proportion of short-term debt always matters and especially in markets which are not very liquid. And if much of the debt is owed by the banking system, its soundness and liquidity are crucial. The solidity of the country's market institutions has been proved fundamental by the Korean crisis.

If there are any concerns about any of these – the composition of the foreign debt, liquidity, or the health of the banking system – overseas investors ought to look for substantial foreign exchange reserves as evidence that the country could weather a credit crisis.

What's more, the need for evidence about the level of reserves means the IMF ought to require countries to publish details of the operations in forward currency markets, as these make a nonsense of official figures based on spot transactions. The UK has only just started to publish details of forward transactions. Thailand's reserves fell sharply early in 1997 because of its previously hidden future liabilities.

Finally, there is the role of the financial authorities themselves. In Korea's case, the presidential election prevented a wholehearted response to the crisis. For example, the Bank of Korea prevented short-term interest rates from rising enough to attract new foreign capital as debts came due in December. If this had happened, the situation might not have taken such a dramatic turn for the worse before the IMF forced an increase in rates.

The report's verdict: "We over-estimated the sophistication of Asian policy makers, who have proved good fair-weather navigators, but very poor sailors in a storm."

The morals can be summarised as: take account of all measures and dimensions of indebtedness; only completely trust countries for which the economic and financial data are fully transparent; and scrutinise carefully its particular institutional and political situation. If that seems to rule any emerging market well, that still leaves gilts and US Treasury bonds for the faint-hearted.

PEOPLE & BUSINESS

JOHN WILLCOCK



I'm backing Ken Livingstone for Mayor of London if the maverick Labour MP's performance on Tuesday night is anything to go by. The moustachioed new-fancier was addressing executives and journalists gathered on HMS Belfast, next to Tower Bridge in London, for the launch of the RBS Advanitia Platinum Card.

One was observed that Mr Livingstone had turned up in some rather scruffy trainers, to which Ken responded: "You may have noticed I am in Nikes tonight. It's not that I'm trying to out-do Gordon Brown in informal dress. It's just that the fact I was sprouting for an interview with David Mellor and I sprained my ankle. I think it was a judgement of God."

Turning to Tony Blair's landslide election victory, Ken mused: "I think we would have won by a landslide if we had had a pig as a Labour Party leader."

Pinning the victory on Tory unpopularity rather than the electorate's approval for New Labour, Ken continued: "We could have said we would raise taxes, we could have said we would slaughter the first born, and we would have still got elected."

Ken then awarded Mo Mowlam nine out of ten for courage in her handling of the Northern Ireland peace talks, and Gordon Brown zero for his performance as Chancellor to date. Our hero thinks the dour Scotsman's economic policy will lead to a "monster recession" because the pound is overvalued. "It's going to be an absolute disaster," Ken chirped happily.

Instead, Ken wants higher personal and corporate taxes and lower interest rates, together with a 100 per cent tax rebate on all new investment projects. Any takers?

So who are David Hague, Stephen Caswell and Donald Osborne, the suits from Price Waterhouse who have been sent in to liquidate the faint-hearted.

date Hong Kong's investment bank, Peregrine?

Mr Hague is 47, British, and was educated at Booth Grammar School. He joined Price Waterhouse in Southampton in 1975 and moved to Hong Kong in 1978 after being made a partner. He is in charge of PW's insolvency practice in the former colony.

A PW colleague of his in London tells me that Mr Hague lists his "non-professional activities" as "Member of the Ladies' Recreational Club", whatever that may mean. We all need to relax, I suppose.

Mr Caswell, 42, also a Brit, was educated at Buxton College in Derbyshire. He went straight to Hong Kong in 1980 after qualifying as an accountant with Thomson Mc Clintock (now KPMG). He spent a few years in PW's London office specialising in banking and capital markets. Mr Caswell was also a member of a joint panel set up by the Hong Kong Society of Accountants and the Independent Committee Against Corruption.

Which leaves Mr Osborne, an American originally from LA, the only non-partner of the trio.

Fresh from having a dreadful Christmas, Dixon has just recruited the FTSE's youngest finance director (I think). The fresh-faced Ian Livingstone, aged just 33, was born in Glasgow and went to Manchester University, where he graduated at the spotty age of 19. He trained to be an accountant at Arthur Andersen and put in stints at Bank of America and 3i before joining Dixons seven years ago.

The most normal thing about the wunderkind is that he's a mad keen Celtic supporter.

Mr Livingstone will replace Robert Shrager, who is leaving Sir Stanley Kalms' right-hand side after 10 years at the stores group. Mr Shrager fancies a go at "turn-around situations", he said. Well, there's no shortage of those in retailing at the moment, what with Laura Ashley, Sears, Liberty ... but not Dixons.

Dog racing, traditionally the bane of Del Boy at places such as Catford in south-east London, is about to acquire a rather more polished swagger. Sir William Rous, colonel of the Coldstream Guards and one of this country's most distinguished soldiers, has been made chairman of the British Greyhound Racing Board.

Geoffrey Thomas, chief executive of the Board, is bullish about the dogs. "It's the second most popular sport in the country, and £1.5bn is year is net on the dogs. We had a very good 1997," Mr Thomas said.

"Sir William is joining at a very exciting time for the sport," Mr Thomas added. "We are aiming to change its image, with more young people and women coming along." Sorry, Del Boy, there's no room at the track.

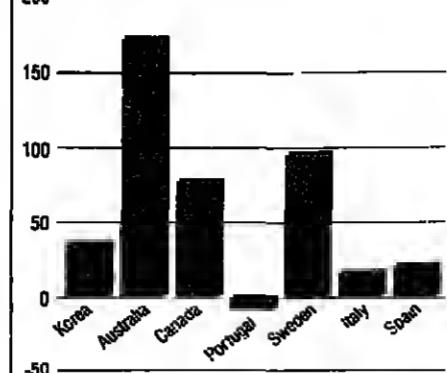
Foreign Exchange Rates

Country	Sterling	Spot	1 month	3 months	D-Mark	Spot	1 month	3 month	Spot
UK	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Australia	125.27	125.27	125.27	125.27	125.27	125.27	125.27	125.27	125.27
Austria	20.905	20.888	20.800	20.741	20.821	20.740	20.740	20.740	20.740
Belgium	61.298	61.089	61.074	61.075	61.295	61.074	61.074	61.074	61.074
Canada	2.3381	2.3271	2.3140	2.3140	2.3343	2.3140	2.3140	2.3140	2.3140
Denmark	1.1638	1.1620	1.1610	1.1610	1.1635	1.1620	1.1620	1.1620	1.1620
ECU	15.036	14.992	14.994	14.994	15.067	14.992	14.992	14.992	14.992
Finland	8.9341	8.9264	8.9063	8.9063	8.9162	8.9063	8.9063	8.9063	8.9063
France	8.950	8.916	8.855	8.855	8.9125	8.855	8.855	8.855	8.855
Germany	2.237	2.227	2.227	2.227	2.2328	2.227	2.227	2.227	2.227
Greece	48.214	47.216	47.022	47.022	48.258	47.022	47.022	47.022	47.022
Hong Kong	12.627	12.624	12.625	12.625	12.742	12.625	12.625	12.625	12.625
Ireland	1.873	1.867	1.852	1.852	1.873	1.852	1.852	1.852	1.852
Italy	1.291	1.287	1.282	1.282	1.291	1.282	1.282	1.282	1.282
Japan	21.833	21.223	21.225	21.225	21.815	21.225	21.225	21.225	21.225
Malaysia	7.6016	7.6017	7.6017	7.6017	7.6017	7.6017	7.6017	7.6017	7.6017
Mexico	13.346	13.250	13.250	13.250	13.350	13.250	13.250	13.250	13.250
Netherlands	2.2352	2.2255	2.2255	2.2255	2.2355	2.2255	2.2255	2.2255	2.2255
New Zealand	2.1525	2.1525	2.1525	2.1525	2.1525	2.1525	2.1525	2.1525	2.1525
Norway	12.277	12.235	12.235	12.235	12.254	12.235	12.235	12.235	12.235
Portugal	30.379	30.334	30.334	30.334	30.377	30.334	30.334	30.334	30.334
South Africa	22.830	22.830	22.830	22.830	22.830	22.830	22.830	22.830	22.830
Singapore	22.330	22.330	22.330	22.330	22.330	22.330	22.330	22.330	22.330
South Africa	8.0612	8.0202	8.0245	8.0245	8.0610	8.0202	8.0202	8.0202	8.0202
Spain	21.916	21.259	21.257	21.257	21.947	21.259	21.259	21.259	21.259
Sweden	13.173	13.173	13.173	13.173	13.173	13.173	13.173	13.173	13.173
Switzerland	24.777	24.043	23.985	23.985	24.777	24.043	24.043	24.043	24.043
UK	16.305	16.305	16.305	16.305	16.305	16.305	16.305	16.305	16.305
USA	122.23	122.23	122.23	122.23	122.23	122.23	122.23	122.23	122.23

Why Korea looked a safe bet

External debt burden

Net external debt as % of forex receipts



Public debt burden

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Grand plan looks like wishful thinking

The long-awaited financial plan for the future of racing was unveiled yesterday amid talk of a united front, but as Greg Wood reports, its implementation will prove to be more difficult still.

After leafing through the 83 pages which form the British Horseracing Board's Financial Plan for Racing, it is tempting to paraphrase Gerald Kaufman's comment on the Labour Party's manifesto before the 1983 General Election. If that, according to Kaufman, was the longest suicide note in history, then the result of Peter Savill's prolonged deliberation on the

funding of racing is surely the longest begging letter – or that, at least, will be the inevitable conclusion among the hard-nosed politicians at whom it is directed.

Like the rest of the audience at yesterday's Industry Committee Forum, which received the first official glimpse of his plans, Savill is passionate about the sport of racing, and wants to see it thrive. He is also an intelligent and thoughtful man, whose analysis of the industry's structure was, on the whole, a reasonable one. Yet the very strength of his affection for the game seems to have blinded him to cold political reality. "Stage one," he said afterwards, "is to convince the Government that we have a case" – so don't hold your breath for stage two.

The bottom line in Savill's

calculations is that British racing needs an additional annual investment of £105m to put it on a firm financial footing and allow it to compete effectively with its major international rivals. He believes that racing itself can find £25m through increased sponsorship, relaxed legislation allowing racecourses to maximise the use of their assets, and a larger return from the Tote. The remaining £80m, though, would arrive via a cut of 1.75 per cent in the rate of General Betting Duty, from 6.75 to 5 per cent, which would be passed on to the sport via the Levy.

The breakdown of how Savill would spend his £105m is instructive. It includes £1.4m for marketing, £5m to make up for recent Levy deductions, £1.8m for integrity services – and a stag-

gering £69.31m in extra prize-money for impoverished racehorse owners like, well, Savill. Again, he has the well-being of racing at heart, but the sight of a multi-millionaire tax exile arguing that he should receive cash from ordinary, tax-paying punters to reduce the cost of his hobby was almost surreal.

Now, Savill will argue that his cash injection would improve racing so immeasurably that betting turnover would soar, allowing the Government's right hand to reclaim – via duty and corporation tax on bookies – what it had given away with its left. This may be true, but then again, it may not. Look at it from Gordon Brown's point of view. You can do nothing and keep raking in £300m a year from betting duty. Or you can cut down as Savill would like, and

risk finding yourself accused of handing millions of pounds to some of Britain's richest citizens, people who, in any case, almost certainly voted Tory back in May. Politicians like to boast about taking difficult decisions, but that, you suspect, will be one of the easier ones.

Such was clearly the reasoning of Lord Wakeham, who resigned 24 hours before the plan was unveiled rather than attempt to sell it to the Government or defend it in public. His scepticism was not shared by many members of yesterday's audience, and representatives of trainers, breeders and (surprise, surprise) owners all greeted the presentation warmly. Indeed, Savill would no doubt be a popular choice to succeed Wakeham, and while he appeared to rule out that possi-

bility yesterday, at least one of his denials was of the non-committal, serve-it-called-upon variety that Jim Hacker always carried off so well.

The remainder of yesterday's business was inevitably overshadowed by The Plan, and there was little of the acrimony which has made previous Forums so enjoyable. Mel Davies, one of the prime movers behind an attempt to build a new racecourse at Pembury in South Wales, did at least launch a long attack on the BHB Board for its refusal to sanction the plans. Such was his anger, however, that a very telling point – that some of the board members faced a conflict of interest when it came to a vote – was lost in the stream of bitterness.

Last night, meanwhile, Sav-



Savill: passionate plea

Challenger's new focus on overdue win

Challenger Du Luc, one of the most frustrating horses in training who has finished runner-up in all four of his races this season, will run in a visor for the first time at Wincanton today in an attempt to focus his attention at the finish.

Martin Pipe tries the gelding in headgear in the John Bull Chase hoping that the eight-year-old can gain his first victory since he scored over the same course and distance last February. Pipe took the decision after Challenger Du Luc's most recent and most notable failure when he seemed to have the King George VI Chase at his mercy at the fi-

RICHARD EDMONDSON
NAP: Banzhaf
(Lingfield 2.00)
NB: Luke Warm
(Wincanton 2.10)

ll was due to board a plane to Dubai in order to present his plan in person to Sheikh Mohammed, who has threatened to withdraw from British racing unless the finances of the sport are improved. Out in the Emirates, the Sheikh need only issue a decree in order for his wishes to become law. How Savill must wish that the British system could be equally uncomplicated.

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There is a fine line to be drawn between the viciously callous and the coldly competent

In the verbal overkill of this sporting life, legitimate hardness is frequently put forward as calculated malice. Thuggery, of course, is off the board, but it is ridiculous to suppose that a case cannot be made for legal aggression.

What gets me off on this theme is a statement made earlier this week by Arsène Wenger that touched a raw nerve with other managers in the Premier League and gave encouragement to aesthetically minded football reporters.

Taking last Saturday's match between Arsenal and Leeds as an example, Wenger advanced the view that Dennis Bergkamp is not getting the protection that his gifts deserve.

I can only imagine how that would have gone down with some of the old-timers like Bill Shankly, who was once invited to inspect a leg wound inflicted on Terry Neil by Tommy Smith. "Aye, a hard boy, Tommy," the celebrated Liverpool manager growled.

Any game that allows for forceful acts of dispossession is bound to find itself dealing with outbursts of excessive belligerence – even the sort of disgraceful assault that caused the London Scottish flanker Simon Fenn to lose part of an ear during last week's match against Bath.

Because contact sports are now played at a pace beyond anything imagined at the time of their invention, and a great deal of mon-

ey is now thrown at success, it becomes increasingly difficult to observe and maintain the original sporting ethos.

The decline from sport as an enjoyable end in itself to a spectacle designed to satisfy the lust of spectators for victory means that most people now accept that explosive incidents are inevitable. I even come across civilised men who look upon punch-ups as part of the entertainment.

In any case, there is a line so fine as to be almost indistinguishable between the viciously callous and the coldly competent. One of the tackles, delivered by the Leeds defender Lucas Radebe, that caused Bergkamp to protest last week met all



KEN JONES

the requirements of technique and legality. The old Leeds hero Norman Hunter, who is understandably considered to be an expert in such

matters, thought Radebe's challenge to be perfect. "Take that out of football and you no longer have a game worth watching," he said.

When first called to Brazil's national team at barely 17, Pele was advised that he would not always be able to rely on referees for protection. "You had better learn how to look after yourself," Brazil's coach, Vicente Feola, said. Pele never went looking for trouble, but opponents soon learned the perils of trying to intimidate him. It was referred to as an accident, but Pele once broke the leg of a German defender who had injured him badly in Hamburg a year earlier.

Hardness in sport gives rise to a great deal of emotional distur-

bance, not only on the field but in the crowd and press boxes. Today's crop of football players, fans and writers seem to get much more exercised by it than their elders did.

Maybe this is the erroneous memory of a veteran, but it is the impression here that players of 30 and more years ago went out expecting to be shaken up and got on with tasks set by their professors. They got annoyed, of course, and sometimes resorted to reprisals. But it was not then acceptable to go around whingeing.

They were more in tune with the realities of life, which was certainly true of an old miner when interviewed on television about a series of violent incidents in Welsh

rugby. "Well, when you work underground and the roof is likely to come in on your head every day you go down there, you don't worry about a boot in the face on a Saturday," he said.

Wenger also said that foreign players, especially attackers, find difficulties in adapting to the tempo of English football with its constant tussles for possession.

Well, they will just have to get on with it and, in Bergkamp's case, take a lesson from history. Doesn't he know that the greatest teams his country had sent out, those of the 1970s, were stiffened by men with reputations to suggest that they should always be approached with the utmost caution?

RUGBY UNION

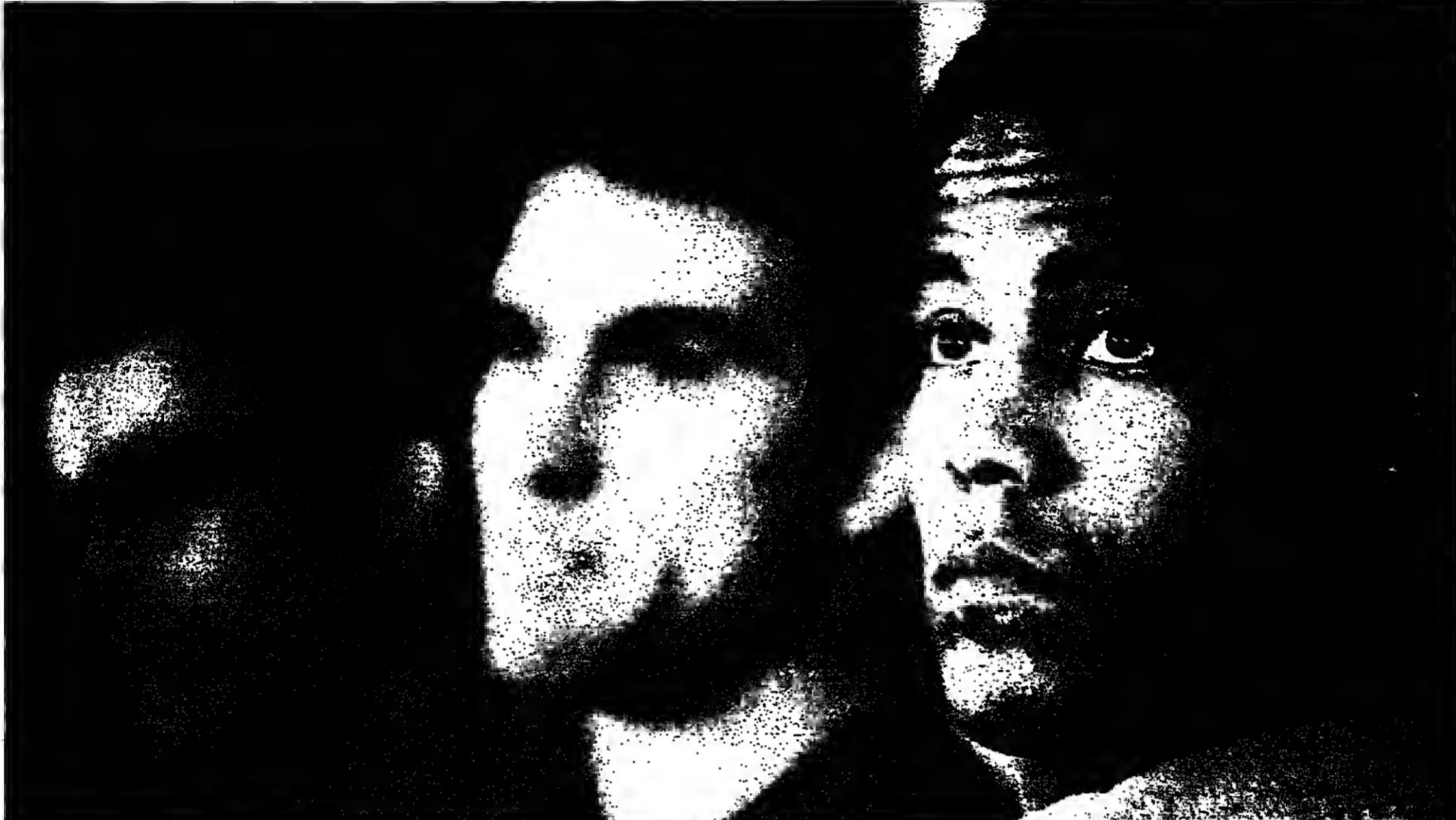
Guscott's dream ticket to Paris begins on Tyneside

Jeremy Guscott has always looked on Paris as one of his favourite rugby cities and there is a growing likelihood of his making a welcome England comeback in the lair of Les Tricolores in a little over three weeks' time. Chris Hewett hears the Prince of Centres weigh up the prospects of a dramatic return to national colours.

As befits the most lustrous of midfield diamonds, Jeremy Guscott possesses impeccable timing, a highly developed self-preservation instinct and an eye for the main chance. If the incomparably gifted Bath centre wins himself a Five Nations place against the French on 7 February – and increasing amounts of smart money say that he will – it would be no great surprise if he ran in a hat-trick of tries and dropped a match-winning goal before disappearing down the tunnel a couple of minutes early, just to catch the bathwater at the optimum temperature.

"I am as fit as I could possibly be," said the 32-year-old triple Lion as England's élite gathered for a tactical tutorial at Bisham Abbey yesterday. "The only thing I haven't got in the tank is some match fitness. I hope to correct that very soon."

By "soon", he meant this weekend. Provided all goes well in what is certain to be an ultra-physical double squad session with Bath today, Guscott will make himself available for the Allied Dunbar Premiership confrontation with Newcastle at Gateshead on Sunday. "I'm midway through my first week of contact work now and I've suffered no ill effects thus far," he said. "We'll know more once I've played, though, and I'd like to think Sunday is a possibility."



Jeremy Guscott, the Bath centre, listens intently as Clive Woodward's England battle plans are drawn up at Bisham Abbey yesterday

Photograph: Peter Jay

Guscott has not faced up to his boots in anger since the final Lions Test in Johannesburg in early July, during which he suffered a broken left arm. Subsequently, he developed serious disc problems in his lower back and went under the knife in November. Many observers, not least a clear majority of the Bath first team squad, suspected he would call it a day, yet his appetite for the rigours of an unforgiving game seem undiminished.

"How could anyone with any ambition as a rugby player

not have been turned on by that second Test we played against New Zealand at Twickenham last month?" he asked, the old competitive glint in his eyes. "It was great to watch but it would have been even greater to have played. You can't always deliver 15-man rugby – the Lions produced some terrific stuff against the South African provincial teams but the Tests were necessarily more rigid – yet this England side has proved it can play total rugby and match the best."

Bath have so many problems

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A second triumphant Lion, the Test No 8 Tim Rodber, has

not suffered anything like the injury trauma that spiked Guscott's guns during the first half of the season, but in many ways he has far more ground to make up. While England's midfield remains in a state of flux, the reinforced revamp of the back row was one of the outstanding successes of the four-Test SANZA series in the autumn.

"My injuries have been frustrating but you have to take it on the chin and get on with life," said the Northampton captain, who might well have faced the Springboks at Twickenham in Novem-

ber had he not been concussed while playing for an England second-string against the midweek All Blacks at Bristol. "I have to do two things now: firstly, I need to fit in with the new regime and, secondly, I must keep playing well at club level. I've played seven in the trot now so I'm back to full fitness at least."

Simon Holmes, the London Scottish flanker who survived last Saturday's cup tie at Bath with both ears intact, heard some good news from the Scottish selectors yesterday. He will make his Test debut at 31

against Italy in Treviso on Saturday week after edging out the equally venerable Ian Smith.

Two of Newcastle's Lions contingent, Doddie Weir and Alan Tait, return after injury at lock and centre respectively, while Gary Armstrong gets the nod over Andy Nicol at scrum-half. Other changes to the side who lost 68-10 to the Springboks last month see Tony Stanger back on the right wing and George Graham, another Tyne-side exile, at prop.

Scotland team, Digest, page 31

Jenkins ready to forsake the Valleys for Bath

Neil Jenkins has spent much of the last two seasons trying to knock Bath from their high-altitude perch as the self-appointed powerbrokers of British rugby, mixing it with them as captain of Pontypridd in three outstanding Heineken Cup matches. Yesterday, his educated right boot was on the other foot as he discussed a possible move to the Recreation Ground.

Pontypridd officials reluctantly gave their most prized possession permission to talk after an approach from the six-times English champions and Jenkins, nicknamed "The Fruitbat" by his Lions colleagues in South Africa last summer, fairly flew across his beloved Welsh Valleys to chew the fat with Bath representatives. "It's a professional game and individuals have to decide what is best for them,"

said the heaviest points-scorer in Welsh history. "Maybe now is the time for a change."

A Pontypridd player since he turned 14, Jenkins earns a six-figure salary from club and international contracts. However, his Sardis Road deal expires at the end of the season and Bath, handsomely financed by Andrew Brownsword, the greetings card millionaire, are very much in the market for a top-notch

goal-kicker to replace Jon Callard.

Bath have repeatedly cast their net on the far side of the Severn Bridge in the last couple of years, luring international loose forwards in Richard Webster and Nathan Thomas before signing Ieuan Evans, one of Welsh rugby's favourite sons, from Llanelli last summer.

Yet they remain exposed at outside-half. Mike Catt, who

moved to No 10 when Stuart Barnes retired in 1994, may soon ask to be considered as a centre rather than a stand-off and his unsettled England Under-21s career, Richard Butland, is on the transfer list. A determined bid to coax Gregor Townsend away from Northampton ended in failure, leaving Bath no obvious option but to look west once more.

– Chris Hewett

Henderson rated as doubtful to face Scotland

Rob Henderson, the Wasps centre, is doubtful for Ireland's first Five Nations' Championship match against Scotland at Lansdowne Road next month following his recent groin operation.

"I've spoken to him several times in the past five or six days and he has been updating me," Brian Ashton, the Ireland coach, said. "At this stage it looks like he won't be able to play again before the Scotland game, so he is almost certainly out of the side."

Ashton also cast doubt on the availability of Conor McGuinness, after the scrum-half aggravated an ankle injury in training this week, while

Nick Popplewell, is still suffering from a sore hamstring.

Philippe Saint-André, Gloucester's French international winger, is facing a further month on the sidelines with a thigh injury. The 29-year-old, recently omitted from France's pre-Five Nations training squad, has already been troubled by the injury for a month.

John Fidler, the Gloucester team manager, said: "He thought that this thing would be right by now, but it has not cleared up."

Saint-André's injury will give Brian Johnson an extended run in the first team, starting with Sunday's Allied Dunbar Premiership One club's surprise 14-12 victory over Bristol in the Tetley's Bitter Cup on Tuesday night.

Moseley have signed the Western Samoa prop Afia Leau on a full-time contract until the end of the season. Leau, 35, has been capped 20 times by his country and has been playing for the New Zealand provincial side, Counties, alongside Jonah Lomu.

Leau arrived in Birmingham yesterday morning and will be eligible to play in Moseley's Allied Dunbar Premiership Two game at Rotherham on Saturday.

Worcester's rugby director, Les Cusworth, has ordered his side to concentrate on the league after the Jarrow League One club's surprise 14-12 victory over Bristol in the Tetley's Bitter Cup on Tuesday night.

Worcester earned a lucrative fifth-round home game against the Premiership One leaders, Newcastle, by beating a Bristol side two divisions above them.

But Cusworth, the former England backs coach, said: "This season we've said that winning promotion out of Jarrow League One was our main aim. We have a vital game against Morley on Saturday and we must now focus on that. We still have a long way to go, but this is a big day for the club and for Worcester as a whole. We'll enjoy this moment, but we've got to look beyond this."

Cusworth's side secured victory through an injury-time penalty from full-back Tim

Smith. Bristol had been trailing 1-0 just before the final whistle, when Irish international stand-off Paul Burke landed his fourth penalty to give them a narrow lead until Smith struck.

China face a tough debut in this year's Hong Kong Sevens after being drawn in the same section as Western Samoa and Tonga. Fiji, the holders, have been paired with Argentina, Papua New Guinea and Taiwan in Group C for the tournament, which runs from 27 to 29 March.

HONG KONG SEVENS 27-29 March

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CRICKET

Gough on track for Test return

England pace bowler Darren Gough says he is on target to regain fitness in time for England's third Test in the West Indies next month.

Gough, who had to pull out of the Caribbean tour because of a persistent hamstring injury, is hoping to join up with England as soon as he can.

"The specialists have isolated the problem area and have adjusted my treatment slightly, and the hope is that I will complete my recovery in about six weeks," Gough said. "My aim is to play Test cricket whether I'm captain or not."

The controversy arose after the West Indies Cricket Board appointed Lara captain for the series against England, which starts on 29 January in Jamaica. In response, Walsh told reporters he was not sure he could play under Lara.

Shane Warne gave an impressive display as Australia's stand-in captain yesterday in leading an inexperienced one-day team to a 131-run victory over New Zealand in Sydney.

Warne went into the match without the only four current players who started this season with more than 100 international limited-overs appearances for Australia. The usual one-day captain, Steve Waugh, was out with a hip injury, while his brother, Mark, was suffering with flu.

The selectors also chose to omit the Test captain, Mark Taylor, and wicketkeeper Ian Healy. Warne, who recently took 300 Test wickets, was typically relaxed about his captaincy success. "I whipped the boys up into a frenzy," he said.

Courtney Walsh, sacked earlier this month as West Indies captain, has confirmed he will play under his successor, Brian Lara, if he is selected to play for

his team in the forthcoming series against England.

"I am looking forward to the first Test, but I also hope the controversy which has developed over the captaincy will end now," Walsh said. "My aim is to play Test cricket whether I'm captain or not."

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Stern test faces England A

Sri Lanka yesterday indicated their determination to give England A's young squad a stern test of their ability in the forthcoming three-match Test series.

The England tour manager, Graham Goode, and their coach, Mike Gatting, expected to face a selection of Sri Lanka's up-and-coming youngsters

over the next seven weeks, an ideal opportunity to gauge the squad's talent against opponents of a similar age group.

But Sri Lanka have chosen the highly rated Marvan Atapattu, a proven opener and Test level, to lead their A side in the first Test at Kurengala, starting on 30 January.

FOOTBALL

European parliament increases pressure on Uefa to restore Coca-Cola Cup-winners' place

Uefa, European football's governing body, was yesterday accused of "an abuse of a dominant position" contrary to European Union rules in banning England's Coca-Cola Cup winners from the Uefa Cup.

European MPs in Strasbourg passed a resolution urging Uefa to drop the ban and that increases pressure on the Brussels Commission to intervene on the Football League's behalf.

Patrick Blondeau has left Sheffield Wednesday and re-

turned to France, joining Bordeaux on a three and a half year contract.

Wednesday's manager, Ron Atkinson, said after the £1.2m deal was completed that the move to Sheffield had simply not worked out. "Rather than hang about, it's better to cut your losses and start again," he said.

Blondeau, who made only a handful of appearances for Wednesday - in part because of injuries, was a regular when Monaco won the French title

last season and won a cap for France before moving to Hillsborough for £1.5m. He hopes to break back into the national squad for the World Cup finals.

Queen's Park Rangers have signed Antti Heinola, a 24-year-old Finnish international right-back from the Dutch club Heracles for £100,000 on a three and a half year contract.

Manchester City seem to have beaten Liverpool in the chase for the Georgia international captain, Kakhaber Tskhadadze. Lv-

pool were ready to offer him a trial but City's chairman, Francis Lee, wants him to become the third Georgian at Maine Road, joining Georgi Kinkladze and Murtaz Shelia. Tskhadadze, a 29-year-old defender, plays for Alania Vladikavkaz.

Chris Bates is considering his position as manager of Stoke City after an embarrassing run of results, ending in the 7-0 thrashing by Birmingham and an FA Cup exit at West Bromwich.

Andy Gray, the former England international, wants to leave Bury on a free transfer after a row with the First Division club, where he has been having a good season.

Andreas Thom has ended his two and a half year spell with City by signing an 18-month contract with Hertha Berlin.

The 32-year-old striker cited differences with City's Dutch coach, Wim Jansen, as one of the reasons why he was unwilling to stay until the end of the

season when his contract would have expired.

Drago Lekovic, Kilmarnock's Yugoslavian goalkeeper is expected to leave Parkhead and join Sporting Gijon. The popular 30-year-old has invoked a clause in his contract allowing him to leave and was due to discuss personal terms with the Spanish club.

Kilmarnock, who confirmed they had received a written offer from Gijon, were surprised by Lekovic's desire to leave.

There are to be no rule changes for the 1998 season, even though that could mean differences in the way the game is played in the northern and southern hemispheres. Australia is set to adopt a number of the changes introduced by Super League, including the use of the video referee and a ban

on striking for the ball in the rucks. But compromise talks between Super League and the Australian Rugby League are unlikely to adopt the rule under which the scoring side kicks off.

In Britain, however, that controversial rule will remain in place. "It's important for coaches, players and supporters that we maintain stability on the field," said the League's technical director, Joe Lydon.

There has been a need for change in Australia because of the coming together of the two leagues, but here in the UK we don't want to confuse people with more rule changes."

Featherstone have given

their former Great Britain scrum-half Deryck Fox, who is in his second spell with the club, a free transfer.

Oldham last night signed

Graham Shaw, a second row released by Bradford. Shaw, son of the former Oldham Athletic footballer, David Shaw, has turned down a full-time contract with Huddersfield in order to join the newly formed club.

- Dave Hadfield

SPORTING DIGEST

FIGURE SKATING

Russian replacements take the honours

With the top Russian men out injured, their replacements shone at the European Figure Skating Championships in Milan yesterday, as Alexei Yagudin led a sweep of the first three places in the men's short programme.

Skating last, Yagudin earned

mostly 5.8s and 5.9s out of six for a technically superb but relatively staid performance to Russian gypsy music. Alexander Aitai was second, followed by Yevgeny Plushenko. Philippe Candeloro, the 1994 Olympic bronze medallist, was a disappointment, coming ninth.

The 21-year-old Aitai's career has been fraught with physical problems, including a broken leg and knee surgery. But he skated like a veteran yesterday, hitting all four of his jumps cleanly and closing with a dramatic slide along the side of the rink on one knee.

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SNOW REPORT

AROUND THE RESORTS

Resort	Comment	Area open	Last snow cm	Lwr cm	Upp cm	Forecast
ANDORRA	Sun 10pm to 6am 24hrs	100%	10	5	10	24hrs
AUSTRIA	Cloud base high 5000'	100%	40	15	15	24hrs
BALCANIA	Sun 6pm to 6am 24hrs	100%	10	5	10	24hrs
CANADA	Sun 6pm to 6am 24hrs	100%	10	5	10	24hrs
FRANCE	Snow 10pm to 6am	100%	10	5	10	24hrs
ITALY	Snow 10pm to 6am	100%	10	5	10	24hrs
ROMANIA	Some good conditions on offer	100%	40	15	15	24hrs
SPAIN	Snow 10pm to 6am	100%	10	5	10	24hrs
SWEDEN	Few snow 10pm to 6am	100%	10	5	10	24hrs
SWITZERLAND	Few snow 10pm to 6am	100%	10	5	10	24hrs
UNITED STATES	Clouds 10pm to 6am	100%	10	5	10	24hrs
Broadmead	Few snow 10pm to 6am	100%	10	5	10	24hrs

Snow Reports supplied by Newstel

Calls to 0891 numbers cost 50p/min; to 0897 numbers £1/min at all times. Helpline 0870 0990 133 345.

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British swimmers go in breathless pursuit of the world in Australia



Stephen Parry powers his way to the final of the men's 200m butterfly at the World Swimming Championships in Perth, Western Australia, yesterday. The European bronze medallist, who comes from Liverpool but is based in Florida, eventually finished sixth in the final, one place behind his fellow Briton, James Hickman. The Ukrainian Denis Silantiev took the gold

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FOOTBALL

United on the brink of £50m shirt deal

Manchester United are on the verge of agreeing a £50m shirt sponsorship deal with the car company, Ford.

United's strip is up for grabs next season and they are about to announce a contract for the next five years with Ford after months of talks with leading companies. The agreement - to replace current long-term partners Sharp - is close to being finalised and should be revealed by the end of the month.

The deal will be the biggest

in British football. The current Sharp contract was worth around £7m in its last year - the new deal is close to a 50 per cent increase at £10m per season.

This is in addition to the six-year, £60m, deal with Umbro to wear their shirts.

Ford have driven into pole position after hard bargaining with United's money men. The American company with big British connections want their name on the best known kit around. Coca-Cola have also

been talking, but United insiders claimed last night that Ford were just about to beat them over the finishing line.

United originally lined up Ford among other huge concerns for a new idea of shared shirt sponsorship, making it less expensive and more appealing to the business community. However the car firm were not willing to pump in cash unless they were the main name associated with the club.

Ford are already one of the

sponsors of the prestigious Champions' League, but teaming up with United is a massive commercial coup. They are already heavily involved with Sky Television's coverage of football and once tried to outbid Carling for the rights to have their name on the Premiership.

United's transfer target Marcelo Salas is set to sign for Lazio this week for £13m. The Chilean striker will earn £2m per season over four years to play in Italy's Serie A after

Lazio came up with the fee that his club, River Plate, wanted.

The former United striker, Dion Dublin, has been the subject of "two substantial offers", according to his current club, Coventry City.

The Sky Blues chairman, Bryan Richardson, declined to name the interested clubs - but one of them is believed to be Middlesbrough. The First Division club have been alerted about the availability of Dublin

since he turned down a £3m contract worth £16,000 a week over three and a half years. Their manager, Bryan Robson, has money to spend after off-loading Emerson to Tenerife for £2.2m earlier this week.

"We have had considerable interest in Dublin from several clubs," Richardson said. "They will receive two bids, which we will be considering shortly."

Wimbledon, Crystal Palace and Leicester have also been linked with the player.

- Alan Nixon

French police to arrest ticket touts at World Cup

French police will arrest anyone engaged in large-scale touting of tickets outside stadiums during the World Cup, the tournament organisers said yesterday.

The head of World Cup security, Dominique Spinosi, said the resale of tickets for a profit was against the law in France. Anyone identified by police trafficking in tickets would be arrested and prosecuted.

She was speaking after a one-day conference between English, Scottish and French football and security officials on arrangements for curbing hooliganism during France '98. Both sides denied that the small number of tickets allocated directly to foreign fans - potentially less than 10 per cent of the seats per game per country - would be the biggest single se-

curity headache during the June tournament. "Unfortunately, most of the stadiums are quite small in France. But the problem is the same for French fans," Spinosi said.

The Foothall Association's security officer, Sir Brian Hayes, confirmed, however, that England had written to Fifa requesting that allocations for the three first-phase games -

against Romania, Tunisia and Colombia - should be increased in England's favour. England will receive less than 4,000 tickets for the game against Colombia on 26 June in Lens - thousands of miles from Colombia, but only 50 miles from the Channel.

Georges Querry, Inspector General of the French police, said that emergency judicial

procedures would be used against trouble-makers from Britain and elsewhere. They could be sent before judges, sitting up to 24 hours a day, and, if convicted, jailed or deported. However, the Foothall Supporters' Association is worried that English fans could become victims of summary justice.

"This concerns us greatly. Starting court cases so quickly

does not allow people to conduct a proper defence," Sheila Spiers, the vice-chairman of the FSA, said. "They should have the time to speak to British representatives and lawyers first. "We have seen far too many examples in the past of English fans being wrongly accused and we don't want supporters to be the victims of summary justice."

- John Lichfield, Paris

Marr defends actions of Scotland's 'gang of four'

Peter Marr, the Dundee chief executive, yesterday defended the decision of four leading Scottish First Division clubs to hold secret discussions with the Premier Division sides in an attempt to solve the breakaway row.

"We have guarantees from the Premier League that they won't be taking the action they have been talking about involving up the league," Marr said.

He also added that it was "probable" that the present one-down promotion and relegation would be retained, with the play-offs being scrapped.

Marr urged his fellow lower league clubs to support the new proposals when a vote is taken at today's League Management Committee meeting.

relegation continues between the two leagues, with an expansion of the top league to at least 12 clubs from the year 2000.

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He also added that it was "probable" that the present one-down promotion and relegation would be retained, with the play-offs being scrapped.

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Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL, and printed at Mirror Colour Print, St Albans Road, Watford

. Back issues available from Historic Newspapers, 01992 840370.

Thursday 15 January 1998

Registered as a newspaper with the Post Office

MORSE

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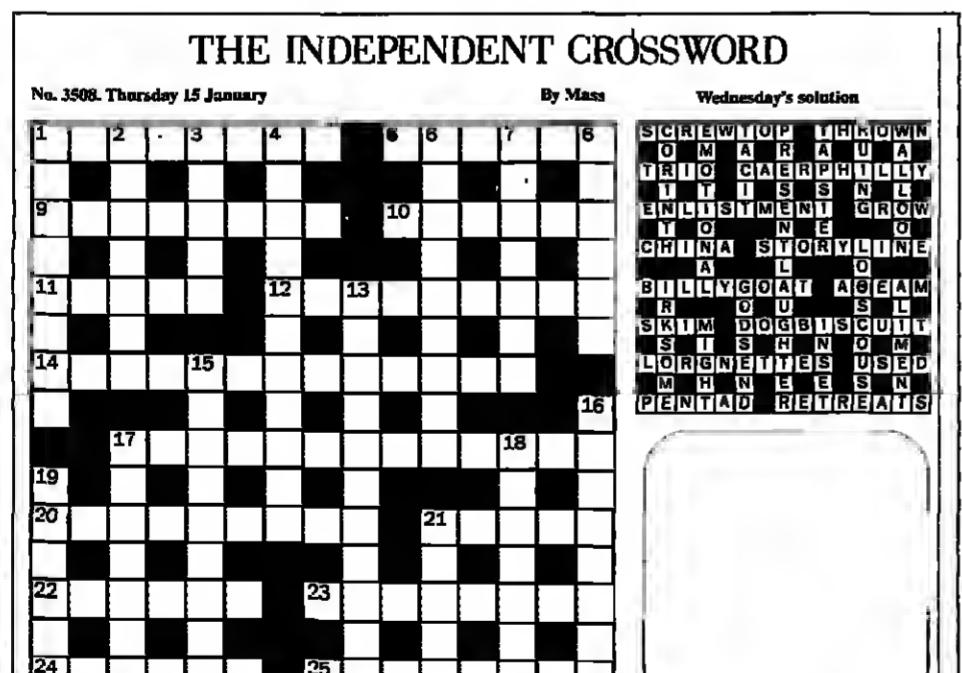
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ACROSS

- 1 Rank my choking short bough's vitality (8)
- 5 Inferior meat Cliff's put in steamer? (6)
- 9 Creatures keep an eye on wheeling hawk (8)
- 10 Its contents will get Jack quite drunk? (6)
- 11 Understand yen for game (5)
- 12 All marks come up for review (9)
- 14 Unmentionable habits, generally speaking (13)
- 17 Dodgy Liberal dangles precariously and becomes a pest (5-4)
- 20 Gallant or snappy about uncouth rival? (9)

DOWN

- 21 Thread, note, securing border (5)
- 22 Line confined to shipman in the main? (6)
- 23 Top cover accordingly takes King at end of card game (8)
- 24 Confess about price leap (6)
- 25 Divers in seas trod about (8)
- 27 Stalwart and strict, against usurping king (8)
- 28 Ring - a way to identify a bird (7)
- 29 A cry's raised in the passage (5)
- 30 He might well fall to pieces! (5,6)

Wednesday's solution

SCHREWDROP THEDOWN
OMARHADUA
TRIOCAERPHILLY
TISINSNLL
ENLISTMENT GROW
YONEONEO
CHINASTORYLINE
BILLYGOAT ACEAM
RHOUBSUT
SIMBOUBSISU
LORDONITIES USED
HHWEESEN
PENTAD RETREATS

6 Analysing lines in painting (9)
7 This could yield one good fish? (7)
8 Fallen star's over the horizon (6)
13 Part of course presenting a hairy aspect (6,5)
15 A shining example? (9)
16 A body-builder's heavily body (8)
17 Rambling sort, the German, full of crack (7)
18 Situation's primitive, overlooking a lake (7)
19 Composes masses (6)
21 Reserve, endless reserve, is socially not on (5)

Victor Ubogu, the Bath prop wrongly cited by London Scottish following last Saturday's gruesome attack on Simon Fenn, was exploring avenues of legal redress while Clive Woodward, the England coach, gave the Exiles both barrels for their "poor handling" of the episode. Chris Hewett weighs up another busy day on the ear-biting front.

"My name is my passport," said a thoroughly cheeched-off Victor Ubogu yesterday.

Thanks to the decision of London Scottish to link him with the now notorious bite on Simon Fenn's left ear during last weekend's cup match at the Recreation Ground, the England prop now feels his passport

would be more legitimate if it had the name "Ronnie Biggs"

stamped all over it.

Ubogu, a scrupulously law-abiding tight-head prop who

boasts an untarnished discipli-

nary record, was taking legal advice after being cited by the Exiles as part of Bath's front row.

"The video clearly shows that there is absolutely no way I could have been involved, so why I was cited in the first place baffles me," he fumed. "The citing was totally unjustified."

"In the 20 years I have been playing rugby I have never been sent off. It's not in my character to be involved in the type of incident that took place at the weekend: I happen to think it has tarnished the game's image and I would never support such an act of foul play. I was horrified when London Scottish cited me and I feel it was defamatory to my character. Apart from anything else, I have a business to run."

Even though the Exiles have now accepted Ubogu's innocence - his fellow prop, Kevin Yates, was singled out by Bath for suspension pending further investigations and a disciplinary hearing - the row over the mass citing looked likely to rumble on. "It was very poorly handled," agreed Clive Woodward, the England coach. "Victor was the entire width of the front row away from the injured player. They might just as well

have cited the Bath coach, who was sitting in the stand."

Woodward also spoke up on behalf of Yates, who had been selected for yesterday's England session at Bisham Abbey but diplomatically withdrew on Tuesday night. "No player or coach wants to be associated with anyone who is into ear-biting and what happened to Fenn was appalling, but Kevin has not been proved guilty of anything. He'll be a member of this squad until that changes."

"He's a good guy, a friend in a way, and I wouldn't have thought he'd be it in him to go around biting people. He phoned me on Tuesday and said: 'I have to say to you that I didn't do it.' When a guy you know well insists on his innocence, it's a bit tough to tell him his history."

Yesterday, Yates was referring all inquiries to his London-based solicitor, Eddie Parladorio. It was left to Tony Swift, the Bath chief executive, to react to criticism of the club's handling of the affair, notably from Don Foster, the city's Liberal Democrat MP. "There is no cover-up," Swift said. "I take it as a personal insult that anyone should suggest such a thing."